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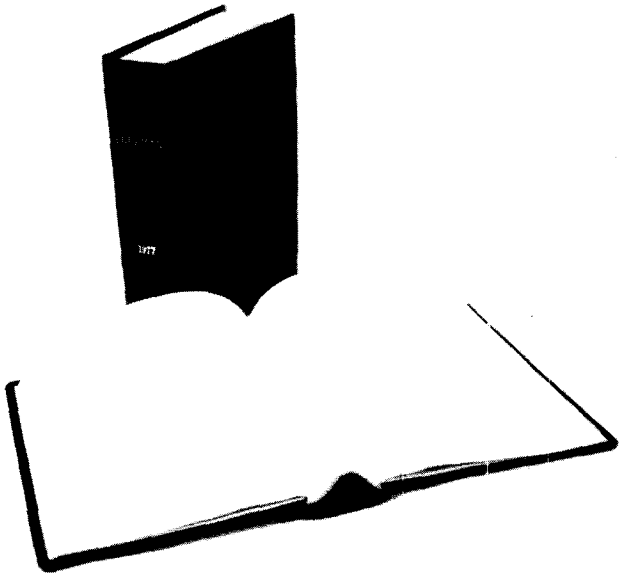

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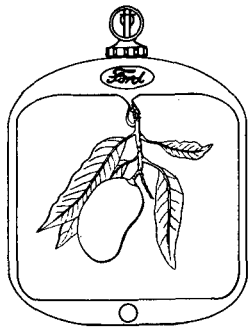
Vaughn C. Nystrom



A FORD IS NOT A MANGO

THE reaction of authorities (and, indeed, the public at large) to the antics of the looters during New York's recent blackout betrays an attitude which, if it becomes widespread, will sap this country of everything that has made for economic success. Certainly, most people were shocked by the violence. Yet, when pressed, many revealed feelings of sympathy toward looters: "Well, it was their turn to get the goods." "Many of those store owners were rip-off artists anyway." "The poor have justly taken from the rich."

In order to justify this kind of thinking, one must view economic systems, or rather the goods produced by such systems as items that are "given." That's to say, economic goods are simply fruits to which no effort is applied; they simply *are*. Ludwig von Mises rightly refers to such an attitude as the "static mentality."[1] Like the child, such persons see the world as a huge playpen, baubles dancing wonderfully before their eyes solely for their pleasure. And like the child, they give no thought whatsoever to the "whence" of these toys—only the fact that they "are."

Static mentality, then, fails to see that wealth is created by man through his efforts in the economic realm. That store in the South Bronx of New York burned down by looters didn't sprout up like an oak tree. That store was built—built by someone who applied his labor and

Mr. Nystrom, who recently earned an M.B.A. in Economics from St. John's University in New York, now manages a small manufacturing and distributing business in New York City.

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his capital to shape something that would be of service to him and, at the same time, to others.

The problem doesn't end with people who, because of their lack of education, may be forgiven for seeing the world this way. It infects the ranks of professionals and scholars who should know better. And because higher-ups see things so, many high level policies—which affect all of us—get their "spirit" from this world view. I hope to show here how this inability to see that wealth must be created has already led us down some dangerous paths.

Property Rights Endangered

If you see all the world as one big paradise, with marvelous goodies here and there, with no thought on your part where these goodies came from, you'll probably—and logically, at that—conclude there's an awful lot of disparity among owners and the things they own. And since justice flourishes among the pristine, you'll also conclude there's reason to shuffle these goodies about until a more equitable arrangement is reached. (Or, if you're not justice-minded, you may opt for mere confiscation.) You'll need a legal arm to effect this shuffling, and so the government (always ready to oblige), according to your plan, will straighten the record. (Of course, the only thing more arbitrary than the original distribution of goods will be the final arrangement, courtesy of bureaucratic officials. But that's O.K. Nobody really had a right to them in the first place. They were there for everybody.)

This isn't solely an error of socialists and communists. How many times have you heard the bromide, "We're not interested in property rights; we're for human rights"? There's a good chance that an elected official representing you at this very moment would give his life's blood to defend that statement. The fact is, human rights cannot exist in a vacuum. We are men composed of body and spirit; and for freedom to exist in the material arena, we must have inviolable rights to property. If these rights can be abrogated, we simply are not free.

Yet these property rights must not be viewed as arbitrary, of the who - got - to - the - mango - tree - first type mentality. They will exist because the owner exerted himself in a way that enabled him, acting as a free person among other free persons, to produce. And his possessions will be none other than manifestations of that personal production, either his own, or what he was able to obtain through exchange in the market place.

Seeing property as an arbitrary distribution of what "is," is only one step away from arbitrarily redistributing it according to some pre-

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conceived notion of equity, thereby destroying all property rights; and two steps away from deciding what will be done with the property, thereby disposing of all human rights.

Accent on Redistribution

A random glance at the *New York Times* brings ample proof that "those who know" no longer consider production to be the economic kingpin. No, this wealth about us is here, given. We need only concern ourselves with how best to redistribute it. Thus, Soma Golden, business writer for the *Times* writes: "I think we have got to confront the problem of income distribution, of somehow building a mechanism whereby we can insure that people do get *what is regarded* as their fair share. . . ." (My italics)[2] That phrase "what is regarded" is loaded with implication: Just who is it who will "regard" what is fair? Doesn't she really mean "what is decreed"? Or "what is legislated"? Freedom becomes a shaky affair the moment some one person or group can decide "what is fair" in matters of distribution.

In less direct ways, sometimes in frighteningly subtle ones, this attitude pervades our media. Irving Howe, a Professor of English at City University of New York, gives us this piece of wisdom: "A distinguished economist . . . offers us the verity that there is no free lunch—to which I, a non-economist, reply: But of course there is! If you *have too much provision* and I not enough, then when you *yield* a little, I may indeed have a free lunch." (My italics)[3] The key word is "have." Such persons no longer ask why someone "has." He just does, they figure. The middle classes, according to this view, are born, not only with silver spoons in their mouths, but also with nice clothes on their backs, and two cars in their garages. They have. The fact is, these things were created, produced, sweated for. But that is not to say that someone *has* "too much." Of course, what the economist means in this case is that someone has made an effort in order to provide that lunch for Mr. Howe. And since that effort has value on the market, the lunch indeed was not free.

When the government engages in redistribution, taking the action away from the personal sphere (you and me), the complexion drastically changes. The insidious feature of it all is that we don't see just who it is we're taking from. Perhaps if the Irving Howes and Soma Goldens were made to see the production processes as they really work, and then made to take first-hand from someone who had just produced a good, they might have second thoughts about asking all the "haves" to "yield a little."

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> A BELIEF, an honest belief, that they are under the real influence of benevolence, sometimes leads men to conduct the most intrusive and tyrannical. Power is usurped for the purpose, it is supposed, of doing good. . . . A man fancies he knows what is best for other men. . . . He is thoroughly persuaded that such and such a thing is good, and being good, he will compel others to receive and adopt it. . . . Yet despotism never takes a worse shape than when it comes in the guise of benevolence. . . . Under the shadow of this fallacy, vast masses of misery have been poured out upon the world.
>
> JEREMY BENTHAM, *Deontology*

Spending Rather than Saving

Serious students of economics understand the importance of savings and investment to the economy's health. An odd bit of logic accompanies the static mentality with regard to these very areas. Because economic goods are viewed as eternally present, any slack in the economic system—recessions and the like—must be caused, not by malinvestment, but by a lack of consumer spending! So, when things slow down, the "experts" recommend jolts of "purchasing power" via government programs. You'll hear otherwise quite intelligent people assert that the Great Depression of the Thirties was caused by a phenomenon they call "underconsumption," the implication being that the goods were there, but the consumers hadn't enough money to purchase them!

Vance Packard's *The Wastemakers* roundly criticizes Big Business for carelessly using resources for profit alone. But the point missed by Mr. Packard and others is the businessman's constant reminder that resources are scarce. This he sees reflected in resource prices, which become his costs. He knows their value. The businessman "spends" only when he believes there are others who'll be willing to "spend" in turn—willing to buy the products of his business.

Not so with those irresponsible planners who don't know the value of resources. Seeing all items about them as ever-present, they are quite willing to "burn off" these items to keep the economy rolling. Such ignorance of the investment and savings factors is well described by Dr. George Reisman in an article, "Production versus Consumption," in *The Freeman* (October 1964).[4] In this essay, Dr. Reisman describes a

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particular form of the static mentality he calls the "Consumptionist." This fellow feels man's needs are irrevocably limited, and so the economy remains always on the verge of running down. He fears consumers will become sated and stop spending, thereby bringing the economy to ruin.[5]

Without going into the rationale of consumptionist thinking, the implications are obvious. The oft-cited quote of J. M. Keynes, in which he advocates digging holes, burying I don't remember what, redigging the holes, paying the workers, all in order to gain purchasing power, shows the depths to which such thinking can bring us. All government make-work schemes—and indeed *most* government employment—consists in spending without producing, spending without investing. In fact, the whole Keynesian system sees investment and savings as "leakages," as virtual flaws in the continuous flow of ever-increasing spending by consumers.

Of course, without investment any economy will die. New capital is needed to replace worn-out capital, and to supply the muscle to undertake new economic ventures—all in an effort to satisfy man's limitless desires. This capital can only come about when someone—not spends—but *withholds* spending! He saves. He willingly refuses to exchange his purchasing power for immediate gratification in order to increase gratification at some future date.

The 19th-Century philosopher, James Mill, rightly points out: "A nation's power of purchasing is exactly measured by its annual produce." Not by its government printing presses; or government make-work; or welfare spending. As long as the deification of spending goes on; as long as capital is eaten away by confiscatory taxation, spending without corresponding production, or plain looting; as long as people don't see that what is here is a result of saving and investment—we're heading down the road to destruction.

A Ford Is Not a Mango

A few years ago I had the opportunity to go to Hawaii, one of the tropical paradises dreamed of so often in our folklore. While there, I noticed the trees, unlike the stingy maples and sycamores of my home town, were laden with fruit—edible fruit! A friend offered me a mango. Just like that. Plucked from the tree one minute, eaten the next. I had never had anything quite so "free" before.[6] I had only thought of fruit as the end-product in a long line of economic exchanges, the last being my purchase of it in the neighborhood market.

Then I began thinking how many people, in childlike fashion, see the world as one big mango tree, ready

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for plucking by whoever gets there first. True, it may certainly appear so when we go to large department stores and see the wares displayed, ready as it were, for plucking. But if you think that's all there is to it, you've missed everything. The many processes behind this final display, all the technological, marketing, and financial decisions that went into *each* product's formation, are too complex for any individual or group to comprehend. As Mr. Leonard Read has pointed out, none of us knows precisely how to make a plain old lead pencil. This most modest of instruments requires a combination of specialized skills beyond the ken of any one person. Multiply that combination of pencil-skills by the countless numbers of items available to business and consumers and you've an idea just how complex is our technological system of production. Then throw in marketing (getting the product to the consumer) and finance (short- and long-term funding for each operation)—and you've at least an inkling of the economic system we're dealing with.

To assume that all this will go on indefinitely, with little or no thought given to the nourishment of these processes, is to close one's eyes—like a child—and just *wish* the best of all possible worlds into existence. The harmony we see in the market place around us is not the harmony of a mythical tropical paradise where abundance is effortlessly ever-present. Rather, it is a balance attained—from the recognition that men are free to own property, to produce, and to exchange freely their production in the market place. And because the free market exerts such harmonizing influences on the economic process, you and I are able to purchase at outlets very near to our homes items as diverse as TV's, food, imported wine, antiques, footwear, Fords—and yes, mangoes.[6]

—FOOTNOTES—

[1]Ludwig von Mises, *Planning for Freedom* (South Holland, Illinois, Libertarian Press, 1974), p. 146.

[2]Soma Golden, "Self-Interest Stymies Inflation Fight," *New York Times* (Business Section), September 22, 1974, p. 1.

[3]Irving Howe, "Balanchine and Larchmont," *New York Times*, November 27, 1976, p. 23.

[4]See Dr. George Reisman's *Essays in "Euclidean" Economics*, unpublished (on reserve at St. John's University in Jamaica, N.Y.). I am indebted to Dr. Reisman for clarifying much in terms of free-market economics.

[5]Harry Browne, in his *How You Can Profit from the Coming Devaluation*, proves quite neatly that it actually benefits the remaining members of an economy when people "bury" their purchasing power, as long as they keep on producing.

[6]Actually, the mango wasn't "free" at all. Human action, however insignificant, was involved in obtaining the fruit.

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Charley Goodman

ALL THESE RIGHTS

HUMAN RIGHTS, civil rights, equal rights, worker's rights, children's rights, victim's rights, criminal's rights, gay rights. . . .

From President Carter's concern with human rights worldwide to the debated outcome of the Miami anti-gay vote, the issue of rights dominates the headlines. Even when the main subject is something else, such as disarmament or drugs, the rights question often hovers alongside.

From crib to casket, folks are claiming special rights to improve their situations. All these rights, regardless of worth, parade in garments of respectability—free choice, human dignity, Constitutional guarantees. A common attitude toward rights seems to have extended Voltaire's famous freedom-of-speech statement to proclaim, "I disapprove of what you say *or do or are,* but I will defend to the *courts* your right to say *or do or be it, any time or place.*"

That sounds reasonable and tolerant enough, and one can understand why so many accept such a creed. But is it really valid? Is everything promoted as a right really right?

In the name of human rights, we suffer pornography and obscenity, we relax justice to the criminal and refuse it to the victim, we prey on ability and willingness in order to subsidize indolence, we place appearance ahead of qualifications in jobs. Boys cannot be boys, at least on a little league team, and a teacher

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Mr. Goodman's interest in human rights was aroused at Mt. Hood Community College in Oregon where he recently earned an Associate Degree in Social Science.

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whose school receives Title IX funds dares not use traditional grammar in describing an either-sex situation.

The Nature of Rights

What are rights, anyway? The goose we squeeze to get our gilded eggs of gratification with the least restrictions and the least bother on our part? Or do rights have a basis we are overlooking? Most statements of rights, such as the United Nations' "Universal Declaration of Human Rights" and the Helsinki Accords, assume rather than establish that certain conditions are desirable for mankind. It might help us, however, to understand *what* our rights are if we understand something of *why* they are.

History reveals at least two traditions, which merge and part like flocks of starlings, flowing into today's practices. One of these perceives rights to mean human action free from restraint. This route has been marked by such names as Rousseau, Freud and Sartre, in conjunction with the Darwinian influence. Though doubtless not themselves endorsing all the current manifestations of rights, men like these opened the way to our culture of freethinking and freeliving. Contrary to, but often overlapping this tradition is another which has been marked by such torchbearers as Cicero, Locke and Jefferson. Paralleling our Christian heritage, it holds the light for Divinely endowed unalienable rights within a framework of natural law.

From this brief history, we can describe two general views held on rights today. In both cases, rights are considered to exist outside society and generally beyond its legitimate interference. In contrasting them, we are stressing their variance in certain moral areas more than their general similarity. Both, for instance, would acclaim our Bill of Rights, though they would disagree on exactly what other rights are "retained by the people" according to Article IX. Further, they both mistrust the machinations of highly centralized government. However, the areas of difference are great, as is the impact that leaning one way or the other can have on our society and government.

The Group or the Individual?

The former view claims that whatever a person does, short of physically harming another—his "own thing"—is okay, regardless of consequences. Rights constitute the de facto protector of his particular interests. The individual or group concerned is supreme. Existentialist free will is the guide. In fact, "freedom" is a more accurate word than "rights" to carry the idea, except that the two words are more or less interchanged in actual use. Freedom

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in this sense is not the lodestar we generally think of when we talk of our American liberties.

This view has permeated our culture, for both good and bad, everywhere we turn. Two prominent subcultures that bear its stamp are worth mentioning. One is the hippie way of life—no comment needed. Another concerns the welfare state and many of the rights claimed thereunder. If one has a *right* to whatever life style he desires, shouldn't society have to support that life style if the individual can't or won't? The conclusion may not follow the premise in logic, but it seems to in modern social welfare.

The second view is superficially similar, yet deeply different. It looks on rights as man's natural and proper defense against an aggressive person, society or government. The importance of the individual or group over the state is stressed, but the supreme, guiding position belongs to God or some concept of divine principles. A good sermon topic, no doubt, but the application ranges beyond pulpit and pew. So, without miring down in ethical philosophy or hanging up on perversions, such as slavery or exploitation, wrought in the name of this view, we ought to pursue it a bit. Later we can tie the two positions together.

If we study the subject, we probably will conclude that rights cannot stand alone or depend upon individual preference, else rights would be in constant conflict. And if rights can be in conflict, any discussion of them is about as conclusive as debating whether fried apple pie tastes better than marmalade on rye toast. Rights would mean either every man for himself or everyone subject to arbitrary government regulations. Seeming conflicts, such as ownership of private property versus the power of eminent domain, indicate that rights may not always cover as much as we think. Much of the history of civilization has been written by the "divine right of kings" as opposed to the rights of citizens. That divine right was really no right at all but either an assumption or resignation of power. If, on the other hand, we opt to talk of "greater and lesser" rights, we run into a similar logical impasse. A lesser right is no right at all, if it cannot be implemented. Sorry, but we must probe yet deeper.

The Aspect of Responsibility

The dictionary defines rights as "that which a person has a just claim to . . . by law, nature or tradition." Good, but incomplete. We may expand this statement to say that rights concern the way each of us may expect to be treated by others and the way each of us must treat others. Unfortunately, we often forget the how-we-treat-others aspect. Responsibility, that is. I have a

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right to work, surely. But not at any job, at any wage, on any terms. If my work habits are unacceptable to my boss or my life style downgrading to his reputation, my right to work cannot annul his right to set reasonable conditions of employment. My right to work at a particular job involves my recognition of the manager's requirements. In turn, it is his responsibility to honor my right to market wages and humane treatment. Another responsibility we have—not to be confused with the welfare state—is toward those who are truly disadvantaged or disabled through no fault of their own. (This does not mean we are obliged to bail out those who will not accept responsibility for the results of their own ill-chosen actions.)

Thus, rights and responsibility go together. But that is not all. While there is no divine catalogue of rights and attendant responsibilities, there are—however much we pick and fuss over them—universal standards of moral conduct which encompass rights and responsibilities. In the West, these standards are generally derived from our Judeo-Christian heritage. Not nose-in-the-air superpiety, that is, but everyday respect for right living.

Does this correlation mean that every right is tied to a moral law? Not at all. Think of a riverboat steaming up the turbid Missouri between shoal and shore, guided past dangerous ground by marker buoys. Similarly, the channel of rights is indicated by the buoys of morality. In this second view, rights sweep from shoal to shore but cannot transgress moral precepts in either the individual concerned or those around him. In other words, no one has a divinely unalienable right to do what is morally wrong or to force another to accept a moral wrong.

Adherence to Moral Law

Dear to us in the United States are those truly unalienable rights of life, liberty and the pursuit of happiness (or property, as formerly stated by Locke). These rights are not written in the sky or guaranteed by history. Rather, they are rights because they are morally justified of themselves, and the diminishing of them, whether by intruder, king or politician, is morally wrong.

Which view of rights, apart from their similarities, should guide American law and culture: freedom from restraint, or adherence to moral law? If we're reasonable and honest, we'll probably have to answer, albeit grudgingly, "Some of both." Regardless of our own preference, we can hardly prevent people from committing offensive acts that do not involve others. Possibly we commit some on occasion ourselves. Thus, in the first sense, a person has a right—that is, freedom—to do wrong; he may curse his Maker

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though it warp his soul, and the law cannot touch him; he may abuse his body or pervert his mind. But—and here is the fragile, all-important balance point—there is no right, by the second view, to force others into recurring or avoidable contact with or support of one's personal vices, be those vices drug addiction, greed or laziness. The man on the street has freedom to smoke, as long as he is on the street. But he may not enter a private house puffing nicotine without the owner's consent.

It might be well here to interject a related thought. A good deal of what we toss into the rights stew doesn't concern rights directly but involves personal preference and choice. Many of the energy and ecology issues fit here. Some favor more conservation; others favor greater utilization. Neither side has an inherent right to have its way, just as neither has a right to exploit the situation at the unjust expense of others. But we all have the right to participate in the discussion and to enjoy the resulting benefits. In other words, we sometimes claim a right to a certain course of action or result when we would better claim a right to be in on the action.

The current uproar over homosexuality illustrates some of the pertinent rights issues. There are actually two efforts at stake in the demonstrations and political and religious activities of gays. The equal-rights effort is well-publicized. Related, but less mentioned, is a bid for public approval. Many heterosexuals would not only extend the rights but also the approval. Are they correct? Should we remove all legal barriers to full acceptance of homosexuality?

Whose Rights?

Two important philosophical and practical factors, neither of which has been clearly distinguished, are swirling in the gay-rights eddy. The first of these concerns the question: *Whose* rights are being violated, anyway? The second revolves around the larger question: How do we in our American society define and determine rights? Let's look at them in turn.

The increasingly vocal homosexuals and various partisans have scored a critical point by noting an apparent inconsistency in the opposition's stance. They claim that those of us who abhor homosexuality react by trampling on the rights of gays in unrelated areas, especially jobs and housing, as in the Miami voter repeal of an anti-discrimination ordinance. Is the point valid? If so, only because we have not blocked it as we should and can.

How do we block it? First, by recognizing that everyone has the same basic rights, else rights are meaningless. A murderer has the same rights as a choir girl, save as they

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pertain to punishment for the former's crime (in which case he forfeits certain of his rights for having deprived his victim of the right of life).

The second block is more striking. A gay now has a right to any housing or job he wants, as long as those in charge accept him (or, to be sure, if they don't know the situation). But if he has a right to *whatever* housing he desires, do not you and I, as potential sellers, landlords or neighbors, lose the right to control our property according to our own standards? His right would then clash with ours—an impossible situation. The same applies to jobs, as demonstrated in the sensitive area of education. A teacher is regarded as an exemplar as well as a communicator. If a declared gay is allowed to teach, he—and the school board—is, in effect, telling the students, as well as parents and others who support the school, that homosexuality is acceptable. A recent court decision in Washington state held that homosexuality is a legal basis for dismissal from a teaching position.

A recent Harris poll indicated a 54-28 percent majority of Americans oppose job discrimination against gays generally. However, a majority also would exclude them from certain positions, such as teaching, counseling and psychiatry. But the poll did not cover one fundamental point: Who can fairly decide when a gay can or cannot be hired, if not those responsible for the position?

One more item merits comment before we proceed to the second factor posed by this gay-rights discussion. Homosexuality, as both Scripture and tradition note, is an especially repulsive act. The above arguments regarding jobs and housing, however, apply not only to this act. Drunkenness, drug abuse, wantonness, even slovenliness and indolence are among undesirable habits that should not be allowed, in the cloak of rights, to damage the actual right of employers, landlords, neighbors or the general public to control what is theirs. On the other hand, neither may the cloak of rights be donned to cover the prejudice or greed of the self-righteous.

Who Defines Rights?

Now, the second factor: who defines rights in a society? Though we be convinced that rights and morals are transcendent, laws and practices governing them are yet made by man through a constant kneading and pulling of both rights and freedoms. Sometimes the decisions are made by rulers, or interest groups, or mobs, or those with muscle enough to enforce their claims. But, in democratic America, citizens must choose the guidelines through legal processes. As long as the American Way yet works, what we

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decide individually is eventually reflected collectively in our laws and courts. This is true, be the result fair or ill.

However—score the point in red—the determination is not necessarily made by majority will, but by those who participate in the process. This fact is well illustrated by the vocal pro-and-con dispute over homosexuality; each side is making its influence felt. To be counted, one may yell and demonstrate his demands, or he may logically and respectfully vote and otherwise speak out. Both methods work, but the more we can do the latter, the more likely acceptable the results. Either way, as long as we are a democracy, we will be governed by the consent of the majority of those who take part. While this method does not guarantee either true rights or morals, it provides the world's best working ground for them.

So far we have been scanning the flood tides of this rights turmoil. By now, perhaps, we are beginning to discern some flailing arms and distraught faces washing about. Who are these? Why, these are the people most deprived of their rights. These are the millions of perplexed Americans who prefer to support themselves, obey the laws, pay their taxes and lead moral lives. They are not the squeaky wheels or the squawky takers, for they are not always seeking special privileges or favors—and possibly not participating as they should. As a result, they are made to support those who will not support themselves: they are often bound by laws they consider unjust, while others flout justice; they are slapped in the face by misuse of tax money; they are forced to pay homage to those who care little for morality.

Hard Questions

Chances are, this is the unhappy position in which we find ourselves. But before we sigh and tighten down our haloes, maybe each of us should ask himself a question: do I ever add to the problem of right and rights in any way? Do I ever:

- lie about my kid's age so he can get a free bus ride?
- call in sick in order to get a day off?
- go on unemployment although I could actually get work?
- pay my workers less than they might otherwise earn in open competition?
- sue a manufacturer when I'm hurt by my own negligent use of his product?
- take advantage of my neighbor or ignore his need?

If I indulge these and other like acts, outwardly lawful, am I not betraying the 3 R's of rights, right and

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responsibility? Legality and ethics do not always make the same track: laws may sometimes allow or encourage dubious behavior. Since Watergate, there has been a resurgence of moral indignation in America—lopsidedly centered on the affairs and behavior of public officials. Can't we see that morals touch every aspect of all our lives, private as well as public, before God as well as man?

In a free society, peace, decency, diligence and independence are ever on the defensive. And those who would devour these noble traits are always on the prowl, like coyotes around a bleeding sheep. Because of their din, we often wonder if they're right, and we're too narrow-minded in honoring our convictions.

Not so! People cannot grow by commonly accepting or approving the baser acts of man. If we constantly alter our laws and social standards to accommodate every unseemly human activity, we are flinging ourselves onto an endless downhill mud slide. Self-control, whether in attempting something worthwhile or avoiding something downgrading, is an integral part of greatness. When laws and rights become independent of a definite and transcendent morality, greatness in America will have disappeared—paradoxically strangled by a perversion of the very forces that created this nation. Listen to the confident tones of the Virginia Bill of Rights, Section 15:

> . . . no free government, or the blessing of liberty, can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles.

We should, surely, always demonstrate tolerance and understanding toward those of questionable behavior. If a holy God lovingly accepts penitents, we can scarcely do less than try to lift the fallen, always distinguishing between the doer and the deed. After all, we may once have been in the same ditch. But, by what surrender to decadence dare we muddy our proud flag by demeaning the very rights it flies to represent?

As Columbus determined to sail west, and opened a new world, we must set our own conscionable course so we may renew our world. This course requires an overall system of rights that corresponds to moral values while allowing freedom of personal choice. We may not agree on all the particulars, but we can agree on the direction.

Do we want to progress as a people, to advance culturally as well as technologically, to build a healthy and meaningful society? If so, we will engage our responsibilities willingly, basing them on a true union of right and rights. ⊕

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Russell Shannon

The TYRANNY of MINORITIES

ONE of the basic premises underlying a free market economy involves voluntary exchange. Continuing trade between two individuals or groups must be mutually beneficial; each party expects to improve its well-being as a result of the transaction. Were that not so, trade would not continue, for who would voluntarily and knowingly make himself worse off?

Furthermore, such trade enhances opportunities for specialization, the so-called division of labor. As Adam Smith pointed out a while back, this process, too, improves the wealth of nations by increasing productivity.

To the extent that any agency limits specialization and trade by closing markets or seizing income, there is a high risk that a reduction in social well-being will follow, for voluntary exchange is hindered and disrupted. Can we expect, then, that we are apt to get a political structure that will minimize such disruptions?

A democratic political system may be preferred to a monarchy or oligarchy on the ground that it is less likely to reduce social welfare. Presumably, the collective intelligence of individuals, as gathered and expressed by their representatives, greatly exceeds that of either a single individual or a small group of people.

In America we talk much of our devotion to both democracy and free markets. Indeed, just recently, in 1976, we celebrated the bicentennial of the intellectual origins of both, as represented by our own *Declaration of Independence* and Adam Smith's *Wealth of Nations*. Yet we are also often deeply disturbed by the preva-

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lent tendency of our government to subvert the market system.

Government, of course, is not some malicious, autonomous being, a demon to be feared and exorcised. Just like the market, it is a vehicle for expressing our desires and achieving our goals. But now the element of compulsion intrudes. Now one party's gains tend to be at another's expense. Exchanges cease being voluntary and mutually beneficial.

Serving Special Interests

Why do such intrusions occur? They are largely, if not solely, the result of efforts by special-interest groups. That thesis is certainly neither novel nor particularly shocking. But its familiarity should not breed contempt—much less content. A simple but vivid illustration will help provide some insight into the matter. It involves government subsidies for sugar farmers.

There are now in the United States about 20,000 sugar farmers.[1] Recently, Congress agreed to support the price of sugar at 13½¢ a pound.[2] Since sugar had been selling for about 10¢ a pound, Department of Agriculture officials estimate that American consumers will pay an additional $660 million for sugar.[3]

These substantial benefits will be spread over relatively few producers and processors, so each one stands to gain a considerable amount. Their enthusiasm for such legislation is understandable. (If all that increase goes to sugar farmers themselves, on the average each one would stand to glean an additional $30,000 in net revenue; refiners, however, are apt to get a share.)

There are other interested parties who will also benefit. Companies who make sweeteners from corn need a higher price to be competitive with cane and beet sugar; they took an active interest in the proceedings of Congress.[4] Besides these, there are also many nutritionists who despair of our sugar intake and the health problems it may provoke. They may likewise take delight in any price increase, for it will discourage consumption.

Such matters aside, however, consider the financial impact of such a subsidy on sugar consumers. The possibilities for spending that hard-earned $660 million on other goods and services certainly are considerable. Why, then, was there not a great outpouring of outrage? Why were our legislators permitted to carry out such a massive transfer of wealth?

Exactly what does this policy mean to the average individual? Since our population is now about 220 million, the sugar subsidy of $660 million works out to about $3 per person. Figured another way: our average annual consumption of sugar is estimated at about 100

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pounds.[5] Since the price-support program raises the price of sugar about 3¢ per pound, that also works out to $3 per person. Thus, preventing the program will effectively raise one's disposable income by $3.

Counting the Costs

A letter to one's legislator denouncing the subsidy costs 13¢ for a stamp and a few pennies more for stationery. A post card costs even less. But as all students learn in their first economics class, cost is not simply money paid. Cost refers to opportunities foregone. And in a case such as this, these opportunities may be extensive.

An individual who writes a Congressman must be both reasonably articulate and informed. That means at the very least keeping up with the news—spending time and money subscribing to and reading newspapers and magazines and watching TV news programs. Furthermore, the letter itself takes time to write.

What does all this time, effort, and postage add up to? A legal minimum wage of $2.30 an hour suggests that our time is, by and large, worth at least that much. For most people, in fact, hourly wages are much higher; for those people most apt to pay a keen attention to matters such as pending sugar subsidies, the hourly income is almost certain to exceed $3.

In short, the full cost of notifying one's legislator about one's personal stand and inclination is apt to be more than the $3 one expects to gain by preventing the sugar subsidy. It is simply not worth the trouble. In other situations, of course, the benefits of curtailing such legislation may very well exceed the cost: after all, many people *do* send letters to Washington. Nonetheless, the basic elements of the situation by now should be apparent.

Here we have a clear and simple case of the political system being used to subvert the market system and cause an overall reduction in our welfare. Specialization requires a market; if the free market is not adequate to provide a satisfactory income, then one may try to use the political system to improve it. But one then gains income by compulsion; the taxpayers receive nothing in return. Yet the populace permit such losses to occur, because they will lose even more by trying to prevent them.

Sugar is but one example. Others abound. Besides sugar, there are wheat, milk, and many other farm products which receive similar treatment. Likewise, the domestic producers of textiles, shoes, steel, television sets and other items have recently sought relief from foreign products.

To the typical consumer, the effect of individual quotas and subsidies

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may be trivial. They mean just a few cents more for fabric—or a few dollars more for a TV set that sells for $400. A total farm program costing as much as $6 billion per year will cost an individual only $30 in taxes. For a family of four, of course, that quickly adds up. Nonetheless, in a great many such cases, it is entirely rational for an individual to ignore what Congress is about to do and simply tend his own garden. For in a great many of those cases, it appears evident that his welfare will be reduced even more if he takes steps to protect himself!

Eternal Vigilance

What remedy do we have? One is strongly inclined to endorse political candidates who are stalwart foes of such government intrusions. But they are hard to find. What's more, the advantages to legislators of supporting such special interest legislation are so great that one cannot reasonably expect them to be totally immune to such pressures.

Nor can the problem be alleviated by insisting that the government balance its budget each year. The damage is clearly done in such programs, even though the government may collect enough in tax revenue to finance the subsidy payments in full. In fact, in the case of tariffs, the government even stands to *gain* revenue from such programs, with no offsetting costs.

In short, it is a tormenting dilemma. Constitutional amendments which strictly forbid any and all government subsidies and trade restrictions may very well be the sole solution. Perhaps a public interest lobby will arise to advocate such amendments. But what likelihood is there of adopting them—or keeping them, once adopted? The combined efforts of those who stand to gain from such subsidies and restrictions may very well outweigh the moral fervor of those supporting such amendments. Unless such steps are taken, however, it appears inevitable that we will continue to have the scope of voluntary exchange reduced and our wealth and well-being continually eroded through the tyranny of minorities.[6]

—FOOTNOTES—

[1]"The Sugar and Cream Boycott," *Wall Street Journal,* April 8, 1977; "The Squeeze on Sugar Cane," *Business Week,* October 4, 1976, p. 32.

[2]Dan Morgan, "Corn Refiners Pushed Sugar Support Bill," *Washington Post,* August 10, 1977, p. A2.

[3]"New Plan to Subsidize Sugar on Early Basis is Studied by Carter," *Wall Street Journal,* August 22, 1977.

[4]Morgan, *op. cit.,* p. A2.

[5]Charles G. Burck, "The Tempest in the Sugar Pot," *Fortune,* February, 1977, pp. 106ff.

[6]The pioneering work in this area has been done by James Buchanan, Anthony Downs, Gordon Tullock, and others. For a summary of their views, and references to further reading, see James D. Gwartney, *Microeconomics: Private and Public Choice* (New York: Academic Press, 1977), Chapter 4.

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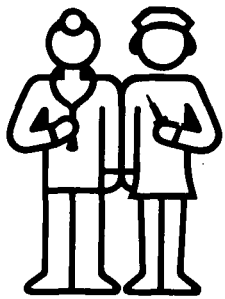
Bettina Bien Greaves

The 1977-78 nationwide high school debate topic . . .

Medical Care and Malpractice Insurance



DURING World War I, the federal government encouraged debating in the high schools as one way to promote support for the United States war effort. With a small grant of the taxpayers' money ($50,000) packaged libraries of materials were distributed for "the promotion of open-minded, impartial study and discussions of such questions as government ownership and operation of the railroads, government control of prices. . . ."[1] In time, a nationwide high school debate program developed. Still today, under the auspices of the National University Extension Association, high school debate coaches and speech teachers select a single topic each year for interscholastic debate competition across the country.

Practically all the high school debate resolutions are worded as positive proposals for some Federal legislation currently advocated by interested groups and/or being considered in the Congress. A list of the high school debate topics over the years reads like a list of the socialistic laws enacted during that time. Because of the debate format, however, students are eager to obtain materials against, as well as for, the proposals in their resolutions. To comply with requests from debate coaches and students, FEE assembles a debate packet each year, made up of a dozen or more article reprints, each explaining the free market position on some aspect of the current resolutions. Those for 1977-78 resolve that the federal

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[1]W. S. Bittner, *The University Extension Movement*, U.S. Department of Interior, Bureau of Education Bulletin #84, 1919, p. 28.

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government guarantee or establish "national programs" of comprehensive health or medical care and malpractice insurance for health care professionals. Following is the explanation of the free market issues involved, as included in FEE's high school debate packet this year.

STUDY QUESTIONS

In any debate, the first step is to define clearly the terms in the resolution. Only after agreement is reached on definitions, may positive and negative debaters discuss the issues and implications of a resolution without the danger of being misunderstood.

* * * * *

1. What would it mean to "establish" or "guarantee" a program? Dictionaries clearly define the verbs "establish" (originate, found, institute, set up in business) and "guarantee" (undertake to do or to secure, assure the permanent existence of). Thus proposals that the federal government *establish* a program mean that the federal government itself would actually set it up, i.e., get it started. If the federal government were to *guarantee* a program, it *could* undertake the program itself, but it need not, for "guarantee" implies only that it do what may be necessary to assure that the program is carried out. Thus, in either case, once a program had been "established," or provisions made to "guarantee" its continuation, actual operations could be delegated to others—private individuals and firms or governmental agencies and institutions.

2. Do U. S. citizens want more, better and less expensive health and medical care than now available? Yes, of course they do—if we leave out of consideration those who refuse medicine and medical treatment on religious or other grounds.

Everyone who is not well, or thinks he is not well, would like to be healed quickly and painlessly in comfortable, luxurious surroundings. If this could be done simply by wishing on a magic lamp, wonderful! But dreaming of such miraculous cures is not realistic. To improve health and medical care takes the time, thought, savings, production, research and attention of countless workers and health care personnel.

Everyone connected in any way with health care and medical treatment would undoubtedly like to be able to give their patients better, more prompt and less expensive attention. This would surely give everyone concerned increased satisfaction. As fewer persons would be needed in health related professions, the demand for doctors, nurses,

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health aides, hospitals, clinics, etc., would tend to go down and more people could be employed in different branches of production, supplying consumers with other goods and services they would then want more urgently than additional health care and medical treatment.

Moreover, the incomes of the fewer persons remaining in health and medically related activities would tend to be higher, while the cost to patients, for the same or even better care and treatment, would be less. The improved incomes of health care personnel would be possible because fewer doctors, nurses, etc., would be able to care more efficiently for more patients.

3. What would "comprehensive" medical care, or a "comprehensive" program to regulate health care include? Strictly speaking, "comprehensive" is all-inclusive. Think of all health and medically related goods and services now supplied, or which could be supplied by doctors, nurses, pharmacists, hospitals, clinics, etc. Then consider all related professions such as dentistry, psychiatry, sanitation, health maintenance, accident prevention, the production, inspection and use of nourishing foods, medical drugs, narcotics, alcohol, safety devices, and so on. A truly "comprehensive" program that sought to encompass all such goods and services, connected in any way with medical and health care, would be completely unrealistic. Thus, if a proposal is to be taken seriously, it must be considerably less ambitious.

4. How may medical and health care facilities and services available in this country best be improved and/or made more readily accessible to U. S. citizens? "Medical care" is the art of healing or the science of medicine, the purpose of which is to make sick persons well and healthy, and to keep well and healthy persons from becoming sick. "Health care" may be defined as the art or science of keeping well and healthy persons from becoming sick. So dictionary definitions do not really help to draw a sharp distinction between the two. As they overlap so much, the question of how to improve the quality and expand the quantity of both may be discussed together.

If U. S. citizens are to have more and better health and medical care, more and better health and medical services and supplies will have to be provided. There must be improved and expanded research in medicine and the related sciences—biology, chemistry, physiology, psychology, physics and the like. The production of medical supplies and equipment and the construction of hospitals and other health care facilities and supplies must also be improved and

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expanded. Thus, more people will have to be employed in these fields and more savings and investments must be channeled into these branches of production.

To persuade more persons to enter these fields, they must have incentives for doing so. Each must have the hope or expectation that it will improve his or her own situation in some way—by bringing in more money, better satisfying their families, leading to more fame, security, satisfaction or adventure, etc. Otherwise, fewer and fewer persons will be willing to make the substantial investment of time, effort and money needed.

Thus, the crucial problem in supplying all citizens with the quality and quantity of health and medical care they want, at prices that are not unreasonable, narrows down to making sure that persons with suitable aptitudes, abilities, skills and assets are encouraged in, not discouraged from, entering and investing in the health care and medical professions.

5. Suppose the federal government assumed responsibility for establishing and/or guaranteeing health and medical care for all U.S. citizens? The demand for government health and medical care is due largely to a sincere desire to make adequate care and treatment available to everyone, including those who would otherwise go without. With this goal in mind, our government has already become deeply involved in health and medical care. Also many other governments have attempted to provide even more extensive medical care for their people. However, these programs have not worked out as successfully as their proponents had hoped. Therefore, before expanding U. S. government involvement in this area still further, it would be well to consider carefully the experiences of other countries with such programs.

No doubt many who are treated satisfactorily are very much pleased that they do not pay directly for medical care. It is human nature to enjoy getting "something for nothing," to ask for more of anything that seems to be free or cheap, and to use it less sparingly than if a substantial direct cost were involved. This very trait inevitably increases the demand for medical attention wherever and whenever it is offered free of charge or at very low prices.

Thus, when medical care and attention seem to be free for the asking, i.e., when no direct monetary cost is involved, the demands of patients and would-be patients tend to rise. Faced with sharp increases in the demand for their services, health and medical personnel find it impossible to furnish the same quality attention they could supply

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under less harried conditions. Reports on governmental medical programs here and abroad bear this out.

When medical care is provided through government programs, the quality available soon deteriorates. The waiting lines in doctors' offices and for hospital beds grow longer. To save the time of doctors, medically untrained receptionists are often given the authority to decide which patients the doctor will, and will not, examine personally. Superficial, assembly-line type medical examinations become commonplace. Strict controls and regulations are instituted to ration available supplies of medicine, hospital facilities and health care services. Mountains of government reports and forms pile up that all those involved must file.

As a result, medical and health care personnel often become frustrated. Their ambition to provide patients with quality attention is discouraged. The opportunity for innovation is suppressed, so that the treatment available to patients soon begins to lag behind the times and to become obsolescent. Given these provocations, it is not surprising that the morale of those in the health and medical care professions declines. Sooner or later many are spurred to emigrate to locations that are more congenial to doctoring. For detailed accounts of governmental medical programs, see the many books and articles that have been written on the subject.

6. What other factors must be considered if government were responsible for health and medical care? Serious ethical questions would soon arise. In the first place, the individual freedom of *some* is inevitably violated by their having to contribute, through taxes, to the private welfare (health and medical care) of *others*. Then too, the program administrators cannot avoid ruling on many complex issues. As medical facilities are limited, their decisions may mean life itself, to those entitled to certain treatment, or a death sentence for those denied it. Officials would have to make difficult decisions also concerning such matters as religious freedom, euthanasia, suicide, abortion, mental health and even a person's voluntary actions and habits which might be considered harmful to his health or others.

How about the religious freedom of persons whose beliefs lead them to reject medicines or blood transfusions? Should they be free to refuse? Or must they be coerced? Even when hale and hearty, they are forced by such programs, against their religious principles, to pay taxes to cover the medical costs of others.

Should a person suffering from an incurable disease, who prefers death

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to suffering any longer, be permitted to die quietly? Or must he be made to undergo extraordinary treatment to prolong his physical signs of life? Or perhaps if considered "hopelessly sick" or "terminally ill" doctors might be encouraged to hasten his end, so as to relieve the government of extra expense. A similar rationale led to the early "medical experiments" of Hitler's Germany.

Should persons who reject certain medical treatment be labeled "mentally sick," confined to asylums and coerced into submission? Reports of such tactics, used to make those who are "different" conform, have come from Russia in recent years.

Should the confirmed alcoholic or the hard drug user be permitted to abuse his own body, when this might make him a burden on other taxpayers? How about obese individuals whose eating habits are an invitation to heart attacks and thus to potentially heavy medical bills?

Should a smoker's freedom be limited if officials believe he could become a cancer victim and thus a drain on the government's budget? The British government now finds itself on both sides of this question—its Finance Office wants to encourage tobacco sales to reap high excise taxes, while its National Health Service tries to discourage smoking to reduce the possibility of heavier medical expenses later.

Debates on government medical and health care programs cannot ignore such complex issues as these.

7. To what extent does the U. S. government now support, provide and/or guarantee health and medical care to its citizens? Federal statistics for Fiscal Year (FY) 1976 report $37.5 billion spent on various "health" programs, including hospitals and the medical care of veterans. Other health-related government programs in FY 1976 added at least $85 billion more, for such things as general retirement and disability insurance, benefits to retired and disabled coal miners and Federal employees, etc., plus $22.6 billion for such public assistance programs as food stamps and nutrition. Not included in these figures are allowances for pollution control, safety inspections, conservation and management of water, power, energy, recreational and other natural resources, all of which have a direct bearing on people's health.

A partial list of the government's agencies and/or projects in health-related fields may be helpful: Department of Health, Education and Welfare (HEW), Medicare, Medicaid, Hill-Burton grants for hospital construction, Veteran's Administration (VA), Food and Drug Administration (FDA), Occupational, Safety and Health Administration (OSHA), Old-age, Survivors and Disability Insurance (OASDI), Health

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Maintenance Organizations (HMO), Professional Standards Review Organization (PSRO), public health offices, consumer "protection" agencies, certain aid to "disaster areas," support and/or operation of research in the fields of the heart, cancer, neurology, metabolism, dental and mental health, etc. Yet the billions now being spent by government on health-related programs would be "peanuts" to the sums that would be needed for anything approaching "comprehensive" health or medical care for all U. S. citizens.

8. Suppose a national program of malpractice insurance for all health care professionals were established? The goal in an ideal society is to hold everyone strictly accountable for his actions—the good *and* the bad. Thus everybody, health care professionals included, should be able to gain by helping others and penalized if they do harm.

Health care, however, is not an exact science. Diagnosis and treatment often rest on educated guesses or speculations. Complete cures, successful treatments, can seldom be "guaranteed," for a patient's response often depends on his or her own cooperation and psychological attitude. Yet, if it can be proven beyond a reasonable doubt that a health care professional's diagnosis or treatment was wrong, had no justification at all, or that the practitioner failed to use that degree of care which an "ordinarily prudent man would exercise in the same circumstances," the injured party has a legitimate claim for damages.

What is done cannot be undone, of course. However, persons should be able to recover actual financial losses due to malpractice or negligence and/or be compensated to some extent for pain and suffering by those responsible.

The obligation of making amends so far as possible for contributory negligence must be assumed by everyone in a free and open society. This obligation helps to assure that adequate precautions are taken, thus reducing human error and carelessness. This in turn ensures the highest quality health care possible. However, when patients sue, or threaten suit, on slight provocation or even without due cause —whether out of greed, unjustified confidence in modern medicine, the belief (ofttimes spurred by lawyers with similar views who take cases for contingent fees) that "rich" corporations or insurance companies can well afford to pay—the effect on health and medical treatment can be disastrous.

The cost of medical malpractice insurance rises sharply. The traditional privacy of doctor-patient relations is invaded by third parties—representatives of insurance companies, legal and medical

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specialists, record-keepers, and the like. Doctors find it advisable to engage in "defensive medicine," often ordering time-consuming and expensive consultations and lab tests, or "ping-ponging" patients from specialist to specialist. Health care personnel must increase their fees to cover these additional expenses. They may refuse to take some patients. They may hesitate to try newly developed and thus potentially helpful but as yet unproven medicines or treatment. Many doctors have chosen to "go bare," i.e., to practice medicine without malpractice insurance protection. Discouraged by such conditions, some have threatened slowdowns or strikes, as recently in California, Canada and Great Britain.

Should the federal government become even more heavily involved in medical malpractice insurance than it now is, health care patients, personnel and insurance companies will find this intervention will have effects similar to those that appear in every field in which government interferes—more red tape, controls and regulations, longer delays in reaching settlements, increased standardization, disinterested personnel, less individual attention, political favoritism, higher taxes and/or more inflation to cover costs, increased hardship on those really deserving assistance, and so on.

9. Suppose the provision of health and medical care were left entirely to private enterprise? The more freedom and individual responsibility, the greater incentive each of us has to use our resources and energies to advantage, to avoid mistakes if possible and to produce as much and as well as we can under the circumstances. This is as true in the field of health and medical care as in every other branch of production. When there is a free market for health and medical care, the customer, i.e., the patient, is boss. He may shop around for treatment, buy or not buy as he wishes, and press for damages if he believes he is injured. To compete successfully, everyone in the health-related professions must do his or her very best to serve their patients. Thus the welfare of patients comes first. The more freedom people have in seeking and in providing medical services and facilities, therefore, the better will be the quality of available care and the more will be offered on the market at costs that are not unreasonable.

In the United States, the provision of health and medical care is still largely voluntary and free. Insofar as this is true, everyone is better off, especially those in need of medical care and attention. However, federal, state and local governments are interfering more and more. As a result, government rules and regu-

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lations multiply. Complicated forms must be filled out by almost everyone concerned. Every government rule and regulation, which affects health care professionals, prevents or deters them from following their own best judgment. Doctors and pharmacists are restricted in prescribing medicines. Regulations are imposed on the construction and operation of hospitals.

Every government interference also tends to divorce still further the benefits received from those who pay the costs. What seems "free" is always in greater demand and yet those who pay have no control. For instance, a recent study released by the Investigations Subcommittee of the House Commerce Committee reports that elective surgery is about twice as frequent among government-financed Medicaid patients who are operated on "free" than it is among privately-financed patients.[2]

Taxes to finance these various medical programs add to the cost of everything on the market. All these interferences tend to discourage ambition, industry, ingenuity and special effort among health care personnel, leading in time to a deterioration in the quality of the care and treatment available. Before further hampering those who supply us with health and medical care in this country, we should listen to the voice of reason and experience. Dr. Anthony Partridge, a doctor with more than 30 years experience in general practice in Great Britain, including five years before the National Health Service began in 1948, gives us warning:

"I can speak as a doctor who was practicing general practice before the National Health scheme started. Within a month, my work load jumped 400 per cent or roughly thereabouts. Now how did I cope with this? And I plead guilty of coping with it in a non-doctoring way. I no longer doctored patients. I had to *manage* the list . . . and my colleagues are doing it in just this way. Because the patients can have any consultations they like, regardless of the severity, the doctor has to build up defense mechanisms against over-usage of his time.

"The first defense mechanism is that he employs a receptionist. She is known as 'the dragon at the gate.' Now her job is to cut off as many of what she thinks—and she is not trained—fruitless calls as she can. For example, supposing a perfectly reasonable person rings up and asks for a call, because her daughter's got a temperature. The chances are that the 'dragon' will say, 'I'm sorry to hear your daughter's got a temperature. The doctor's very busy. I'll have a word with him and no doubt he'll put a prescription out so that

[2]See *New York Times*, September 1, 1977.

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when you come shopping you can pick it up. I'm sure you'll be helped this way.' Now this patient has never been seen. The prescription is probably for antibiotics, or something quite expensive, and could be very dangerous. But this is the way it is done.

"The *lucky* patient, on the other hand, may get an appointment to see the doctor . . . say, three days later. But because of the fact that each patient on his list—and he has a list of 3,500—has five to six consultations a year, they average three to four minutes a consultation. So the doctor doesn't look up. He doesn't stand up. The patient comes in, makes the comment as to what's the matter. The doctor is probably writing a prescription before the patient is finished speaking. The next patient is then called for. This is not doctoring, this is mass production. The doctor then sends many patients to the hospital.

"Now this is the fate of good doctors. It kills a dedicated doctor. It really destroys him. He feels so frustrated. But it is awfully good for a bad doctor because you can *manage*—not *doctor,* mark you, *manage*—this vast number of patients on this trivial system.

"Another thing must be realized. Managing a list is very easy. Doctoring a list, or doctoring patients, is very difficult. If you are a rather lazy doctor, this system suits you down to the ground because you can manage by disposing of your patients quickly in the morning and you can have the afternoon on the golf course. One of the reasons why this service continues, I regret to say, is because a large number of doctors are quite happy. They've got no worries. They just pass their patients around and do not do any doctoring in the sense that we were taught when we were medical students.

"Unfortunately, this is such a large portion of the medical profession there isn't enough pressure from the doctors themselves to get this system altered. *It is good for bad doctors, good for non-ill patients. It's ghastly for dedicated doctors and ghastly for sick patients,* because of the waiting lists and the poverty of the consultation at general practice level.

"The patients lose all consumer control because they do not pay the doctor themselves. The doctor is paid by the State. Now I must make this quite clear to you as an American doctor. . . . Whatever you do, make sure that the patients remain in control of the medical profession by direct payment by the patient. Don't let your doctors be employed by the State or get messed up by the bureaucracy which goes with it. The State is not interested in *quality* care. It is only interested in *quantity* care and votes. The State couldn't

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care less whether the patient has a three-minute or a three-hour consultation—this is my impression—because *that* doesn't concern them."[3]

[3]From an interview with Dr. Partridge by Dr. Michael Smith, Past President of the Louisiana State Medical Society (August, 1976).

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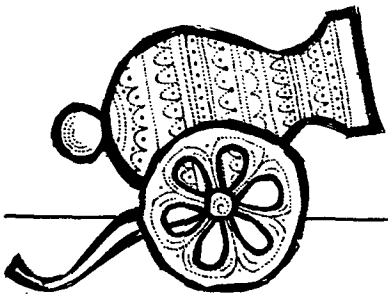
Kenneth McDonald

Who Guards the Guardians?



THE FACT that people are foolish, as everyone is from time to time, has been seized upon by reformers to justify all manner of impertinences. It is only fitting, therefore, that among all the words whose meaning they have debased, reform should be accorded a place of its own.

The amendment of conditions which are judged against a standard of instinctive moral values has been reshaped, in an age when those values are under attack, to signal amendments which serve only the aims of the attackers. By destroying a society's criteria, and putting nothing in their place save the social theories of the moment, the reformers further the achievement of those aims. By setting up straw men for their attacks, they weaken the real men whose independence they fear.

Thus the excesses of limited private monopolies are invoked to justify their replacement by the total monopolies of the state. Public ownership is advanced in all seriousness as the best and wisest means to supply the public with everything from soup to nuts. The soup may lack variety, but it is no longer contaminated by profit. The nuts may be scarce and of one kind, but they are grown on state farms under the supervision of inspectors imbued with the best of intentions.

The whole thrust of the state's expansion is toward uniformity. The purpose of the state, after all, is to

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enforce laws which impose certain restraints upon individual liberty. The purpose of the restraints is to prevent one individual from trespassing upon the liberty of another. The good fences which make good neighbors are policed by the state. Keeping the peace is its one acknowledged duty.

But as the Latin tag attests, the role of guardian is the most dangerous of all. Who, indeed, guards the guardians?

The Urge to Reform

It is that temptation to butt in which is at the root of the matter. We are prone to it as individuals. In our pride we can see how things might be better ordered, especially as they affect our neighbors. By prodigies of self-control we may refrain from telling them, but the urge is there nevertheless. What holds us back is partly the fear that our advice will be resented but more that it will be ignored.

With maturity we learn to suppress these urges, to take people as they come, even to recognize in them shortcomings of our own.

The state, however, is subject to no such impediments. The secret of its power lies in its very remoteness. It is one thing to refrain from advising the man next door, whom we know. It is another thing altogether to compose a set of regulations for people collectively. They are as diverse as the regulations are uniform. Their diversity constitutes a perpetual challenge. If only people would respond to the forecasts, if only the behavior which is predictable in general terms would conform in particular ones to the trend of the graph.

That is the challenge which the state feels called upon to meet. It has, its servants have come to realize, immense, even limitless power; the power to create money. Not wealth, but the illusion of wealth. Dealers in illusion, the state's servants are its first victims.

Unaware of its futility, they apply themselves to the task with a will. Each fresh set of regulations exposes gaps that must be filled. The establishment of one board reveals the need for a second. Unless it sows the seeds for continuance in another form, no commission of inquiry is complete.

As the regulations mount, as the boards and commissions proliferate, the law itself is crushed under the weight of them. Relationships which were simple are made complex. Rules which everyone could understand are multiplied into abstractions and interpretations and footnotes to sub-sub-paragraphs until they are incomprehensible to everybody, not least the authors, least of all the lawyers and judges whose lives are consumed in deciphering them.

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How Bureaucracy Grows

One result is to bring the civil law into contempt. Another is to establish, outside the courts, a court where there are neither lawyers nor judges, where arbitrary rulings are the prerogative of inspectors, regulators and commissioners, and where mountains of precedent are built upon molehills of law.

When the growth of a bureaucracy passes beyond control, it becomes a law unto itself. The process is self-fulfilling. The failure of each new intrusion compels it to intrude again. More people are hired, more programs devised to occupy them, until the bureaucracy's original purpose is obscured. No longer is it there to administer the law, for the law has been buried. It is there to minister to itself.

The contempt which this process heaps upon the civil law is conscripted to bring the criminal law into disrepute. Here, however, the attack is mounted from the safety of that other bastion of liberalism—permissiveness.

The doctrine that instinct deceives, that behavior is conditioned by circumstances, and that the failure of individuals to conform to society's rules is not their fault but society's, is applied enthusiastically to the treatment of criminals.

Does he steal? He has been deprived by society. Does he commit crimes of violence? He is the victim of a society which, in its disregard for his needs, was violent to him. Does he commit murder? The pressures that society exerted upon him were too great to be borne.

It is in this that liberalism's fundamental hypocrisy is fulfilled.

A New Class

The attitude which dictates a concern for people in general while denying the legitimate aspirations of individuals in particular is reversed when some of those individuals break the law.

Then they are transformed from a condition of individuality to one of membership in a class. Not a criminal class, as our forefathers held before the enlightenment, but an underprivileged class, a class which has somehow escaped the welfare net, a class, in consequence, which it is society's duty to rescue.

If members of the class are not responsible for their condition, how can they be blamed, much less punished, for actions which derive from it?

Innocent unless proved guilty, they must be freed without delay until the crowded calendar can admit their reappearance. In the meantime society will muster its social workers, its psychiatrists, its publicly appointed counsel and its special pleaders to excuse, to explain, by all possible endeavors to exculpate the accused.

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The police, whose duty to catch the transgressor was discharged upon his arrest, are witnesses to a process which puts them, who defend the law, upon the defensive. By a curious twist of reasoning, the police are the enemy, not the criminal. As the tangible representatives of the society which wronged him, they are clearly in the wrong.

The hypocrisy culminates in the treatment of premeditated murder. Whether he be a domestic bandit, who kills for money, or an international one who kills for a cause, he must be preserved from the fate he dealt without hesitation to his victims.

Flight from Reality

The principle of an eye for an eye, which served from Moses' day until recently, has been abrogated by those to whom principles are an encumbrance. That the victims were innocent, were in fact strangers until the gun introduced a fleeting intimacy, is ignored. Conveniently, they are dead, members of the largest class of all, and the state has no responsibility for them. It is free to turn its attention to the well-being of their murderer.

Predictably, the word murderer is the first casualty. The domestic murderer is never referred to by that term. It is too precise. It admits of no doubt that he did, with the premeditation which is inseparable from taking a weapon to the scene of his crime, kill someone on purpose. After the event the word is too harsh a reminder of the harshness of his crime.

The welfare state, whose aim is to cushion its wards from the inescapable realities of life and death, must itself escape reality. In court, the domestic murderer becomes "the accused." When guilt has been established he is thenceforward referred to by name, as befits his notoriety. If, after the passage of time, he is referred to again, the public's recollection is prompted by reference to the crime he was "involved in." When, in due course, he is released, if the crime was sufficiently newsworthy his earlier notoriety will be revived. The name of his victim may even be mentioned, though not in a reproachful way, because he has now paid his debt to society. The murder he committed has been expunged. It is as if it had never been.

By imputing to the abstraction of society the qualities which can be identified only with the individuals who comprise it, the state, which is itself an abstraction, subverts the truth. Society, which cannot be punished, is blamed for the crime which only a person can commit. The theory that no one, because of upbringing or environment or deprivation or whatever, is responsible for anything, requires the creation of a substitute. Since reason and

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instinct tell us that there can be no substitute, the state must confound us by indirection.

Like a magician's audience we are led to believe that things are not what they seem. Society which was to blame in the first place has become the victim of the murderer it bred. When he has paid to it the debt of his crime his unfortunate lapse will be forgotten, swallowed up by abstractions as woolly as the thinking which gave rise to them.

The International Bandit

The international bandit can be disguised in more fanciful terms. He is at worst a terrorist, more often a freedom fighter, a nationalist, an urban guerilla, or simply a member of the "movement" of the hour. Never is he a murderer. The people he kills are not the victims of his guns or his grenades or his dynamite, but of the circumstances which drew them to that particular airplane, or embassy or public place.

They are hostages against the fulfillment of demands in which they have no concern. Secure until that moment in the possession of identity and occupation, they surrender both to the cause of their assailants. As hostages they will suffer, as hostages they may die, but there is nothing personal about it. The abstractions which serve the domestic scene are applied the more easily to the international.

For if the public sector at home is out of control, the super-sector that sprouts from the United Nations abroad is out of all reason.

Compounding the Folly

If it is foolish to blame a national society, from which traditional values have been banished, for crimes committed by persons, then transferring that blame to international society, which has neither tradition nor values, merely compounds the folly.

To suppose that, by seconding them to the United Nations, national bureaucrats acquire qualities superior to those of their fellows at home, is only the first in a chain of assumptions. If experience leads us to doubt the validity of the domestic assumption—that all wisdom resides in the state and, by implication, in its servants—the sheer impertinence of the international assumption may well leave us breathless.

Applying to an international court the same social theories which have brought domestic courts into disrepute is to confuse issues already confounded. The effect is to dissipate responsibility to such an extent that it disappears.

The dictator who conspires, on grounds of national security, to murder thousands of his fellow citizens is quick to appeal to the Security Council if his personal security

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is threatened. He is blameless at home but he still feels the need for a higher authority to appeal to.

That the Security Council should be as powerless as the United Nations of which it is part is wholly consistent with the theories which gave birth to them both. That nations which are manifestly unable to govern themselves individually—many having acquired nationhood since the day before yesterday—should be credited with the ability to govern all nations collectively, including those with centuries of tradition and cohesion behind them, is the final absurdity. Yet it persists.

The motive force can be ascribed to two distinct impulses. First is the natural tendency of the state to dissolve its responsibility in committees. The drive to escape responsibility, to seek the shelter of a consensus, at all costs to be fireproof, is the inevitable corollary of social theories which hold that no one is to blame for anything.

The ready assumption of personal responsibility, attributed to George Washington in the matter of the tree and his little hatchet, may be apocryphal but its survival springs from more than Americans' veneration of their first president. It marks a rare quality. How rare may be judged when we try to recall examples of public figures, whose prompt acceptance of responsibility for deemed successes is a daily occurrence, accepting responsibility for evident failures. "It was my fault"—that, to borrow an American idiom, will be the day.

The second motive is more sinister. The drive to transfer power from the individual to the state—indeed to render the individual powerless—finds its natural extension in the transfer of power from individual nations to the international body which foreshadows the world state.

If the best is the enemy of the good there is little doubt that, for Western civilization, the enemy is a creeping mediocrity which substitutes envy for excellence. The independence which drives men to seek the best is attacked by those who would make all dependent on the state.

Western civilization faces a crisis of the spirit. It is the West's belief in its own beliefs which is at issue. ⊕

Liberty Abused

IDEAS ON LIBERTY

THERE is a natural and necessary progression, from the extreme of anarchy to the extreme of tyranny; and arbitrary power is most easily established on the ruins of liberty abused to licentiousness.

GEORGE WASHINGTON

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World in the Grip of an Idea

Clarence B. Carson

13. World War II: The Socialist Conflagration

War is filled with incongruities. On or about May 1, 1945, I watched a command performance of the Dresden Symphony Orchestra in a small town located along the border of Germany and Czechoslovakia. The command was probably issued by the commanding general of the First Infantry Division—the "Bloody Red One"—of the United States Army. The most obvious incongruity was that the United States and Germany were at war with one another, and here were American soldiers in battle dress being entertained by a German orchestra. Another incongruity was that amidst the incivility of war—as Patton's Third Army made its final thrust toward Prague—we paused for an hour or so to listen to one of the finest products of Western Civilization, glorious German music performed by a symphony orchestra.

The reason for Dresden's orchestra being quartered in this village adds to the incongruity of the situation. On February 13-14, 1945, Dresden had been subjected to a

In this series, Dr. Carson examines the connection between ideology and the revolutions of our time and traces the impact on several major countries and the spread of the ideas and practices around the world.

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succession of air raids by British and American planes. Dresden had long been famed as a cultural center and was architecturally one of the most beautiful cities in Europe. It had little significance, almost none, as a military target and had until the above dates only two small raids.

Bombing Dresden

Although Dresden was not an open city—though it was barely defended—, there was a widely held belief that the Allies did not intend to bomb it. In consequence, refugees had poured into the city to double its population to 1,300,000 people. Allied intelligence had reported that German armor was passing through the city by rail, but this was apparently known to be false by air force commanders before the raids were sent out.

At any rate, these may well have been the most devastating raids in a brief period in all of history. The city was devastated, over 100,000 people killed according to some estimates, and 1600 acres laid waste. In the midst of one of the British raids a fire storm broke out raising temperatures to over 1000 degrees Fahrenheit and sucking high winds into the vortex of the fire. The American raid which followed was carried out in the daylight. The bombers were accompanied by fighter planes which added to the death-dealing destruction by strafing civilians. It was to find refuge from this destruction that the Dresden Symphony had moved to a small town.[1]

There may have been no particular malice behind the otherwise wanton bombing and strafing of Dresden. Certainly, the air force personnel involved in the raid were performing their assigned tasks as thoroughly as they could. Apparently malicious atrocities abounded, however, in World War II. Among the most horrifying of these followed in the wake of the assassination of the SS leader Reinhardt Heydrich by Czech soldiers secreted into Czechoslovakia by the British in late 1941. In retaliation, the Germans immediately killed 1500 Czechs. Three thousand Jews were shipped from Czechoslovakia to Poland to be put to death. A few days after Heydrich's death, the village of Lidice was apparently selected at random to become an object lesson to the Czechs. The whole village was sealed off by the SD. The next day the males were all killed in a massacre which took ten hours to complete. The females, excepting those who were pregnant, were sent to concentration camps. Pregnant women were sent to hospitals to be delivered when their time came. The new born infants were put to death, and the mothers then sent to concentration camps.[2] The village of

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Lidice was physically destroyed as well.

Germans and Russians sometimes vied with one another in their cruelty to prisoners. The German Admiral Canaris made this report from the Russian front in December of 1941:

> Our own treatment of Russian prisoners is having awful consequences. In the retreat from Moscow we had to abandon German field hospitals as well. The Russians dragged out the sick and injured, hanged them upside down, poured gasoline over them, and set them on fire. Some uninjured German soldiers had to watch this torture; they were then kicked in the groin and sent back to the German lines with instructions to describe how the Bolsheviks were reacting to news of the mass executions and barbaric treatment meted out to their comrades in German captivity. On another occasion German prisoners were beheaded and their heads laid out to form the SS symbol.[3]

Barbarities and Atrocities

As the Russian armies swept into East Germany in early 1945, many of the inhabitants fled westward attempting to escape the terror. Here are two stories recounted by John Toland, from among many, many more:

> One of these groups was entering the village of Nemmersdorf when Russian tanks abruptly appeared, bulldozing everything in their path. Dozens of carts were smashed, side-swiped, rolled over. Baggage spilled out, people were crushed. The tanks rolled ahead obliviously, but in a few minutes Dodge trucks appeared. Infantrymen jumped out and began pillaging and raping. At The White Mug restaurant four women were raped many times, dragged outside naked and nailed through the hands to a wagon. Not far away, at The Red Mug, another naked woman was nailed to a barn. When the Russians moved off, they left behind seventy-two dead civilians.
>
> A few miles to the west, Russians were breaking into the village of Weitzdorf. A young woman, Lotte Keuch, watched in horror as her father-in-law and six male neighbors were shot. Next a dozen French slave laborers at the manor were rounded up and their rings taken away—by slicing off their fingers. Then the Frenchmen were lined up, executed. And the raping began.[4]

Such barbarities—and their number is so great and the details so fulsome that the sensitivities are soon dulled and the mind numbed by accounts of them—require explanation. It is undoubtedly true that there have usually been atrocities in the midst of wars. War frequently musters and loosens passions which are not easily contained. It is not easy to prepare men for the business of killing without removing or lessening civilized restraints. The simplest approach is to get men to thinking of the enemy as less than human. This is advantageous, too, for then the soldier may commit acts against them while, hopefully, re-

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taining his inhibitions against doing so against those on his side. At any rate, any historian should be able to call up stories of atrocities from many past conflicts, and he will usually have been aided in his task by those who have found advantage in picturing the enemy in the worst possible light.

Even so, the exigencies of war are not a sufficient explanation for the atrocities of World War II. Warfare may provide the setting for atrocities, but it also provides the setting for acts of bravery, restraint, and compassion. A conqueror may destroy all in his path or he may liberate and restore. The character of any particular war is a reflection of the state of civilization of the combatants. It is determined, too, by the aims and ideals of the participating countries. The events which comprise a war are not self-explanatory; they must be referred to the larger framework from which they arise. This is especially so when events conform to a pattern and when large numbers of people are involved in them.

Why in World War II?

The ferocity and brutality of World War II stands in special need of explanation. This is the case because the notion had been widely held that mankind was making great progress in the twentieth century. Barbarity was supposed to be diminishing as a result of the spread of civilization. President Woodrow Wilson had proclaimed that when democracy was in the ascendant wars would be no more. If universal suffrage and large scale voting are sufficient evidence of it, democracy was in the ascendant between World War I and World War II. At the forefront of progress, according to socialist ideologues, was the spread and adoption of socialist ideas. These give added impetus to the need for explanation of atrocities and ferocity of World War II.

Despite the vast literature on the subject, there has been all too little effort to explain World War II by the ideologies that were involved or held sway. True, Nazi racist ideology is usually taken into account, but its explicit collectivism and tacit socialism are usually ignored. There have been ideological explanations aplenty, i.e., explanations by those under the sway of some ideology, but these have left socialism unindicted. Dictatorship or totalitarianism have been blamed often enough, but such explanations do not explain the rise of dictators or the advent of totalitarianism. The scribes of our era have hidden from the implications of the very ideas they hold dear.

World War II was the clash of socialist titans. It was ignited by revolutionary socialism and threatened for a time to consume the whole world in its fire. In the center

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ring of this struggle were Soviet Communism and National Socialist Germany. The main struggle was for dominance of central and eastern Europe, particularly eastern Europe. The English speaking peoples were on the periphery of this contest though pride and confused alliances obscured the fact.

A Confused Scene

Everything conspired, it almost seems, to obscure or conceal the nature of the main struggle in World War II. From August of 1939 into June of 1941 Germany and the Soviet Union had a non-aggression and mutual assistance pact with one another. After the brief thrust into and conquest of Poland, the German effort for nearly two years was concentrated in western Europe: the Scandinavian countries, the low countries, France, and Britain. It was further confused by the push of Germany and Italy into southern Europe and North Africa. More, just as the nature of the struggle began to come into focus after the invasion of the Soviet Union by Germany in June of 1941 it was distorted once again by the Japanese assault on American possessions and the British Empire in the Pacific. With the conflict spread over half the world it is small wonder that many lost sight of its central stage, or even doubted that it had one.

A good deal of the confusion can be charged to Hitler's temperament and the adventures into which it led him. He was intuitive, opportunistic, and often governed by irrational prejudices. Ideology was apt to be sacrificed to whims or prejudices, particularly when he was frustrated by developments. Above all, much of the course of the war was beyond his control. His alliance with Mussolini was hardly founded in love for the Italian people. War against the British was almost certainly not to his liking, and he had little interest in North Africa or the Pacific. Expedient alliances and unwanted contestants led him to some strange places. He was given to blaming many of these misfortunes on the malign influence of world-wide Jewry.

Even so, World War II was mainly a contest for control over eastern Europe, and to a lesser extent all of continental Europe. This conclusion is supported from three different directions: the aims of the contestants, the arena of the major and protracted land battles, and the consequences of the war. It is tempting to describe it as a war between Pan-Germanism and Pan-Slavism, for that was certainly a major element in it, but that theme can here be subordinated to the contest between two brands of revolutionary socialism: National Socialism in Germany and Soviet Communism.

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This is so because revolutionary socialism provided the methods for the concentration of power for the expansive thrusts, whatever the ultimate motives of those who directed them.

Lebensraum

World War II broke out as a result of the expansive efforts of Germany and the Soviet Union. Germany was expanding to the east: first Austria, then Czechoslovakia, and then the expansion into Poland which provoked the general war. The Soviet Union attacked westward: Poland, Finland, and annexed Latvia, Estonia, and Lithuania. The next most likely goal of both powers was the Balkan countries, although that was delayed by Germany's war in the west. Germany and the Soviet Union were on a collision course with one another, though the fact was obscured for a time by the Nazi-Soviet Pact.

It brings some clarity to this confused situation to examine the aims of Germany and the Soviet Union, or, if that is too broad and ambitious, the aims of Hitler and Stalin. First, those of Hitler. A ponderous gloss was provided for Hitler's aims by the pseudoscience of geopolitics as advanced by Professor Karl Haushofer of Munich. Geopolitics is a way of looking at geography in terms of the interests and desires of a single nation without reference to the interests and possessions of others. It has been used by conquerors throughout history, but prior to the twentieth century none has attempted to give academic standing to the subject.

The key phrase drawn from geopolitics for Hitler's aims was *Lebensraum*. It can be literally translated as "living space," but it was freighted with the nationalistic aspirations of living space for and domination by Germany. It should be noted, too, that socialist regimes frequently suffer from what might be called claustrophobia, a sense of being hemmed in and surrounded by enemies. This has been characteristic of the Soviet regime throughout its history. The reason for this is not difficult to grasp. The control over their own people is ever threatened by the existence of other countries independent of their will. The Nazis also used the term *Grossraum* which meant the "whole space" or area that they required. The term was applied in the following way:

> Politically the New Order was simple. German hegemony was to be extended by German arms and accepted by everybody else. Nazi values were to be exported from their German centre and the pattern of Nazi revolution and Nazi life repeated in other lands. The first precondition of the New Order was conquest: the land had to be got. How much land was left vague. At the high tide of German successes the concept of the

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Grossraum, or Greater Germanic Estate, embraced Europe from the Atlantic to the Urals, although a little earlier it had seemed to make do with rather less of Russia. The determining features of the *Grossraum* were not its borders but its nature. Instead of finding where people lived and then drawing permanent or semi-permanent frontiers to fit the ethnic facts, the Nazis began by designating an area and then moved people around in order to make demography fit the facts of power. The *Grossraum* therefore might be any size and in 1942 one writer envisaged it as covering one sixth of the globe. It was not a fixed area but a biological habitat like a nature reserve. It was where the German family lived.[5]

More precisely, it was an area into which the German family might be moved and established after conquest.

A Germanic Europe

One way to grasp what Hitler had in mind is to understand that he aimed to unify Europe under German hegemony. But it was not to be a unity of equals. Much of Europe, particularly eastern and southern Europe, was conceived as an area to be colonized. The closest thing he had by way of a model for what he had in mind was probably the English attitude toward and treatment of the North American Indians.

Hitler's racial theories were used to buttress the proposed conquest, domination, and uprooting of peoples. He held that many of the peoples of Europe were inferior, indeed all the others were inferior to the Germans. Other Nordic peoples were the next highest in the scale, and under German guidance they could probably be more or less self-governing. The Latin peoples would probably be next in line, though for expedient reasons—Germany was allied with Italy and hoped for alliances with Spain and France—their position in the ethnic scale was not carefully spelled out. Slavs were considered to be decidedly inferior, not worthy of being civilized, but good potential slaves. The Nazis heaped contempt on the Poles, spoke of them as being sub-human, but once his armies were in Russia, Hitler was equally contemptuous of the Russians. The level of education proposed for the Russians was described this way by Heinrich Himmler, head of the SS: "I can only repeat what the Führer has asked. It is enough if, firstly, the children are taught the traffic signs at school so that they won't run under our cars; secondly, they learn to count to twenty-five; and thirdly, they can write their names as well. No more is necessary."[6] At the bottom of the scale were the Jews.

Compulsory Unification

What Hitler conceived was a Germano-centric Europe. Theretofore, Europe had been fragmented into many small countries, depen-

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dent upon one another and the rest of the world. Not only had Europe been fragmented but its focus had been "peripheralized." Russia had linked a considerable portion of the land mass of Europe, and some of the most fertile, to Asia. Italy's center was on the Mediterranean looking to Africa and the Near East. The countries fronting on the Atlantic had thrown themselves into colonizing in other portions of the world. Germany would become the heartland of a unified Europe, economically self-sufficient, and a power so formidable that the rest of the world would be at bay.

In the course of World War II enough of this program was carried out to indicate that Hitler was in earnest about it. Western and central Europe was virtually depopulated of Jews. There had been talk of resettling them on the island of Madagascar, but nothing ever came of this. They were shipped to the east, mainly to Poland, where a massive liquidation took place. Russian Jews were frequently killed on the spot. Poles were moved out of some areas of Poland and Germans resettled there. A vast displacement of persons took place as millions of Europeans were shifted about to work on German industries and farms. These peoples were segregated from the Germans as far as possible and constituted little more than slave labor.

Clearly, Nazi aims were in opposition to that of the Communists, but it needs to be made clear that the Soviet Union had aims of its own. Soviet expansion was (and is) fueled by three fairly distinct but interrelated aims. One of these aims is imperial in character. The Russian Empire was partially dismembered during and after World War I. Western portions were cut away to form nations, such as Estonia and Latvia. The thrust of the Soviet Union during the early months of World War II to reclaim this territory attests to the imperial aim. It is probable, too, that Pan-Slavism still played some part in the quest to regain lost portions of the Russian Empire. The thrust of Germans eastward has long been matched by the Russian thrust westward. Russia has long been technologically backward and has looked toward the West in one way or other to make up this deficiency.

Russian Expansion

Another aim of Soviet expansion was strategic. Russia is very nearly landlocked to the west and south. Leningrad, the major western port before World War II, had access to the Baltic only through waters fronted by Finland, Latvia, Estonia, and Lithuania. Archangel lies far to the north in frigid waters. Russia has long sought, to no avail, a warm water port in the south that would

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have access to the Mediterranean during time of war. More, there are no natural barriers of consequence separating central Europe from European Russia. Buffer states have provided such solution to this problem as has been offered, but when these have been unfriendly, as they generally were before World War II, they were unreliable buffers.

The other aim was ideological. Indeed, all other aims have generally been subsumed so as to be virtually a part of the ideological aims. When, for example, the Soviet Union established a Communist controlled government over Poland and made it a satellite state, the imperial, strategic, and ideological aims of the Soviet Union were satisfied in a single stroke.

The ideological aims of the Soviet Union pit that country against every non-Communist country in the world. In 1919 the Communist International, known for many years thereafter as the Comintern, was founded in Moscow. It purported to be a creature of Communist parties from around the world, but in fact control over it was monopolized by the Russians. Moscow became the center for the domination of communist parties founded in countries around the world. These parties were to foment revolution whenever and wherever they could. One of the points to which parties must concur was to this effect:

> In countries where a communist party is permitted by the laws to function legally it must nevertheless maintain, parallel with its legal organization, a "clandestine organisation capable at the decisive moment of fulfilling its duty towards the revolution."[7]

Moreover, all communist parties must have their ultimate allegiance to the Soviet Union:

> Communist parties must support unreservedly all soviet republics in their struggles with counter-revolution, urge workers to refuse to transport arms or equipment destined for the enemies of a soviet republic, and pursue propaganda by legal or illegal means among all troops sent to fight against a soviet republic.[8]

This last point shows the marks of having been formulated during the civil war in Russia, but in essence it still describes the relationship between the Soviet Union and any parties it controls in other lands.

World-wide Communism

This was a blueprint for the spread of communism around the world and domination by the Soviet Union. It did not necessarily entail conquest in the usual military sense but it did, in effect, envision the fruits of conquest for the Soviet Union. The great prize, historically, for communism was to be Germany. The writings of Marx were replete with references to the coming of revolution in Germany. The Com-

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munist Party in Germany was growing in appeal in the months before the Nazi takeover. Hitler set all that at nought.

The Nazis and Communists, then, were profound enemies. To Hitler, Communism was a Jewish conspiracy to dominate the world. To Stalin, Nazism, usually referred to as "Fascism," was the last virulent and aggressive stage of capitalism. It was the mortal enemy of communism come to life and moving on the world stage. To those not infected by either doctrine, communism and Nazism were profound enemies because they were different varieties of revolutionary socialism contesting for control over Europe, and perhaps the world.

Hitler considered asking Stalin for an armistice on several occasions. There was talk of making contacts by way of the Soviet embassy in Sweden. Yet, each time he drew back. He is reported to have remarked that it would be of no use even if Stalin accorded an armistice. As soon as he was able Hitler would resume the assault on Russia. By most accounts, the conquest of Russia was Hitler's deepest and most abiding ambition, that and ridding Europe of Jews. Despite all their similarities, and in part because of them, Nazism and Communism were irreconcilable opponents at bottom.

The eastern front was the scene of the titanic struggle between these socialist powers. Most of the worst horrors and much of the ferocious fighting occurred there. (The major exception to this was the bombing and strafing of civilian populations by both sides in western Europe.) It was in the east that the liquidation of millions of Jews took place, first by massacres with shot and shell, and then in gas chambers. It was in the east that perhaps a half million Gypsies were slaughtered. It was on the eastern front that ideological murders took place, the killing of commissars whenever they could be taken and retaliation by Communists.

War Casualties

One way to measure the scale and ferocity of the fighting is the number of military personnel killed and otherwise lost in the war. The Soviet Union reported seven and a half million personnel as killed or missing. German military personnel killed or missing were reckoned at 2,850,000, though all of these were not lost on the eastern front. By contrast, the United States lost 292,100 in all theaters of operation, and the British Commonwealth somewhat over half a million.[9]

The scale of the war on the eastern front has probably never been matched in all of history. There have been greater concentrations of forces in smaller areas but not on

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such a far-flung front. The Germans invaded the Soviet Union in June of 1941 with 135 divisions of their own and 13 Finnish and 15 Rumanian divisions. The Russians brought to bear approximately 136 divisions of their own. At a later date in the war the Germans claimed to have identified 360 Soviet divisions fighting against them, and still later there was talk of the Russians having over 500 divisions. By contrast, the United States had 60 divisions on the western front in the spring of 1945. (The division was the largest standard sized unit employed in the war, but the size varied from country to country and from time to time.)

The Battle of Stalingrad

The war was fought on a front stretching for 2000 miles from Leningrad in the north to Rostov in the south. Leningrad was never taken by the Germans, but it was laid under siege for 900 days. "Without light or fuel, the inhabitants of the beleaguered city depended upon supplies hauled across Lake Ladoga. . . . Enemy bombardment, starvation, and disease cut down a million citizens; the dead at times were heaped up in streets littered with refuse and excrement."[10] One of the reasons the Germans never took Leningrad was that Hitler did not want his armies bogged down in the house-to-house fighting of a large city. Even so, it happened in one of the decisive battles of the war, the battle for Stalingrad in the winter of 1942-43. Here is a brief description of the fighting there: "The closest and bloodiest battle of the war was fought among the stumps of buildings burnt or burning. From afar Stalingrad looked like a furnace and yet inside it men froze. Dogs rushed into the Volga to drown rather than to endure any longer the perils of the shore. The no less desperate men were reduced to automatons, obeying orders until it came their turn to die, human only in their suffering. The Germans were on half rations from the end of November. . . . The final capitulation came on 2 February. Ninety-one thousand survivors, including a Field Marshal and twenty-four generals, were taken captive. The Russians had already taken 16,700 prisoners during the last weeks of the fighting. Some 70,000 Germans died during the siege, many of them from exposure or starvation, some by suicide."[11] The ferocity of Russian attacks gained force by the apparent unconcern of the leaders for casualties and lack of fear of death by the troops. A German specialist described their attitude this way:

"Soviet Russians reacted differently to battle from civilized city dwellers. They remained unaffected by high casualties . . ., by close combat, by battles at

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night, in villages and in forests. They were used to misery, to lack of care, to absence of leave and of mail, to suffering cold and hunger. They faced death with fatalistic equanimity."[12]

This war on the eastern front was characterized by a ferocious assault not only on persons but also on property. As German armies moved into the Soviet Union they were followed by economic organizations bent on expropriating and using for their own efforts whatever they could take from the Russians. All state-owned property was simply confiscated. The Russians, on the other hand, destroyed whatever they could not take with them as they retreated. The horror of the war was augmented by the massive confiscation and destruction of property.

Much, indeed most, of Europe—west, central, and east—was devastated in the course of World War II. Only three countries, each small in population and peripheral, escaped the destruction: Portugal, Sweden, and Switzerland. (True, Ireland and Spain were spared most of it, but Spain had experienced its own destruction in the civil war just preceding World War II.) European civilization, the most vibrant in all of history, was shattered. The greatest work of civilization is the city; indeed, "city" and "civilization" spring from the same etymological root and cities are the centers of civilization. The shattering of European civilization was visible during and immediately after World War II in the rubble of the cities.

Cities and Civilization

The modern city is a marvelous tribute to man's imagination and ingenuity, a result of his aspirations to build, and a wondrous complex wrought from the cooperation of many men to bring it into being and operate its facilities. The network of highways and railroads which pour into and out of cities gives some indication of their centrality and economic vitality. The huge water mains that supply them, the maze of electric wires that light them, the subterranean sewers which drain them, and the vehicles that ply their numerous streets make it possible for hundreds of thousands of people to live in close proximity to one another in comfort and security.

War turned many of the cities of Europe into torture chambers for their inhabitants. Artillery bombardment, street fighting, and bombing broke water mains, cut off electricity, made movement precarious, and made rubble or shells of buildings. The desolation of such small cities as Aachen could only be overmatched by that of huge cities such as Berlin, Leningrad, or Hamburg.

It has sometimes happened in history that barbarians have conquered more civilized peoples and laid their

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cities waste. When the Germanic tribes conquered the remains of Roman Britain the technology of cities was beyond their abilities to operate and their needs to use. Those that were not destroyed must have been left to deteriorate and decay. So it was, too, for much of the western Roman Empire as Europe descended into the Dark Ages.

A Fury Born of Ideology

But Europe was not laid waste in World War II by barbarians who could not comprehend or utilize cities. On the contrary, every major power involved had large and complex cities of its own. The Germans who rained bombs on London and bombarded Leningrad into rubble had some of the finest cities in the world. The Americans and British who bombed Dresden and Hamburg and Berlin and Schweinfurt and many other cities were proud of their own great cities. Nor will it do to think of the Russians as constituting some uncivilized horde sweeping over Europe, tempting as it might be to do so. True, Russia has long been technologically backward compared to most other European countries, but it was only relatively so in a common civilization.

The fury that gripped and laid Europe waste in World War II was of a different character. It was a fury born of ideology. It was a fury unleashed by people who had the trappings of civilization but whose civilized restraints had been weakened and cut away by ideology. Some account of this must now be made along with the story of further communist expansion and the reasons for the German defeat.

Next: *14. World War II: The Bitter Fruit of Ideology.*

—FOOTNOTES—

[1]See John Toland, *The Last 100 Days* (New York: Random House, 1965), pp. 130-49.

[2]Peter Calvocoressi and Guy Wint, *Total War: The Story of World War II* (New York: Pantheon Books, 1972), p. 267.

[3]David Irving, *Hitler's War* (New York: Viking Press, 1977), p. 363.

[4]Toland, *op. cit.*, p. 9.

[5]Calvocoressi and Wint, *op. cit.*, p. 212.

[6]Irving, *op. cit.*, pp. 403-04.

[7]Hugh Seton-Watson, *From Lenin to Malenkov* (New York: Frederick A. Praeger, 1953), p. 74.

[8]*Ibid.*

[9]*Encyclopaedia Britannica* XXIII (1955), 793R.

[10]Arthur J. May, *Europe Since 1939* (New York: Holt, Rinehart and Winston, 1966), p. 76.

[11]Calvocoressi and Wint, *op. cit.*, pp. 476-77.

[12]May, *op. cit.*, p. 97.

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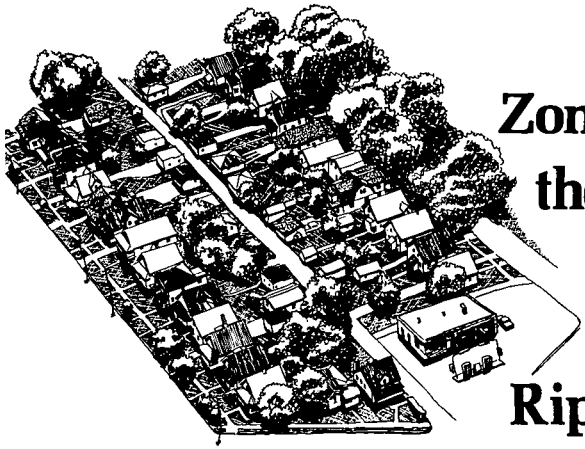
George C. Leef



Zoning Laws, the Housing Market and the Ripple Effect

HENRY HAZLITT has called economics a science of recognizing secondary consequences. What he and others who have taken the time to study the working of free markets have perceived is that there is a natural orderliness in uncoerced dealings between men which tends to maximize the well-being of each individual and put resources to their best use. But to accomplish this, a market must be free, which means that each participant must be allowed to decide for himself how he will use his assets, whether personal skills, money, or physical property. Whenever government compels a person to use his property in a way other than he would freely have chosen, this natural orderliness is upset.

The effect of any such tampering with a market may be likened to throwing a stone into a calm pool. Waves of disturbance will ripple outward. Unfortunately, government will now look upon these ripples as new problems calling for its false remedies, and throw more stones in an attempt to neutralize the unwanted and unforeseen consequences of its earlier stone-throwing. I call this the ripple effect; it is nothing other than a failure to foresee secondary consequences.

This article is about one form of governmental interference with free markets which nicely illustrates the ripple effect. It is about zoning ordinances, particularly those which

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regulate the type of housing a person may build on his property. Such ordinances demonstrably have worsened the housing situation in this country, have been a vehicle for much manipulation, unfairness and favoritism, and, of course, have spawned new coercive remedies designed to set aright the problems zoning has caused. What government cannot see is that these "remedies" will even further impair the functioning of the housing market.

A Primer on Zoning

A zoning ordinance is a decree by government that land in its jurisdiction may be used only in accordance with its regulations. These regulations are contained in a zoning map, which designates the permissible uses for property in each zone. For example, a subdivision might be zoned to permit only single-family dwellings on lots of one acre or more.

The original rationale behind zoning was that it was necessary to prevent nuisances. City governments thought it desirable that industry and retail trade be segregated lest their attendant smoke, noise, and traffic impose costs on residential areas. The paradigm case zoning was aimed at would be the construction of a steel mill on a quiet, shady street. Zoning based upon this argument was upheld by the Supreme Court even though its adoption might cause an enormous loss to the owner of affected property.[1]

Zoning, however, was not limited to the segregation of industrial from residential areas. It was also used to demarcate the boundaries for single- and multi-family housing. When challenged in court, cities argued that allowing apartment buildings to be constructed next to single-family houses would shut off air and light to the latter, increase noise and traffic, and deprive children of places to play. Lurking behind these doubtful arguments (which the Supreme Court also accepted as justifying zoning of this nature) was the objective of protecting the property values of homeowners against the decline which would follow if their area became less exclusive. It will be observed that this concern has nothing to do with true nuisances such as pollution and noise, but rather is an attempt to use the coercive power of government to protect against those losses which free markets must necessarily sometimes inflict.

The Law of Nuisance

The common law had long recognized actions for nuisance when zoning first became popular. This action was based upon the idea, insepara-

[1] *Village of Euclid v. Ambler Realty*, 272 U.S. 365 (1926). The value of Ambler Realty's holding fell by $300,000 when its tract was put in a residential zone.

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ble from the argument for freedom, that one does not have a right to make use of his property in such a way as to injure or render less fit for use the property of another. If one did so, he might be compelled by a court to pay for the extent of his damage, and the destructive use might also be enjoined.

Now, it cannot be said that nuisance suits ever became a perfect solution to the problem of externalities (the imposition of costs by one landowner upon his neighbors). Legal actions have high transaction costs, and success is never a sure thing. And if the losses were spread over a large number of people—e.g., smoke damage from a steel mill—almost certainly no one of them would feel sufficiently aggrieved to undertake the expense of a lawsuit (at least prior to the advent of the class action). These factors served to deter many from asserting their legal rights.

All this may be admitted without indicting nuisance law for any inherent flaw. Courts and legislatures could have devised new procedures fairer to plaintiffs and new remedies for accommodating competing interests had they seen the necessity to do so. Nuisance law, however, has suffered from extreme neglect during the nation's half-century infatuation with zoning. Even so, there have been noteworthy nuisance cases in the last few years, indicating that zoning is not the only answer to the externalities problem.[2]

Zoning vs. Nuisance Law

It is important to compare the way in which zoning and nuisance law operate. Nuisance law is based on the market idea that one should pay for the costs that he causes to be incurred, and works punitively—at least until people come to know what uses will probably cause them to have to pay penalties. At that point, uses for which the expected costs are too high will be deterred. Thus, nuisance law should—or could—lead to the same sort of economic calculation which underlies any business decision. An entrepreneur would decide against building a steel mill in a residential area for the same reason he would decide against building one where it was difficult to get raw materials—the costs would be too high. On the other hand, a contemplated use of land, a grocery store, for instance, might impose small costs on the neighboring owners, but still be a worthwhile project because of large expected returns. It is this sort of

[2]See, *e.g.*, *Boomer v. Atlantic Cement Co.*, 287 N.Y.S.2d 112. The court there refused to enjoin the operations of a cement plant, but awarded the plaintiffs the amount by which their property had been permanently damaged (based on market value) plus an amount equal to the ongoing monthly costs the plant imposed on them.

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rational economic calculation which optimizes the use of resources.

Zoning, however, does not allow individual decisions as to the costs and benefits of the uses of land. While zoning may prevent some nuisances[3], it lacks the ability to discriminate between nuisances which are worth their cost and those which are not, and prohibits some land uses which would not be nuisances at all. This is so because zoning is not predicated upon a calculation of costs and benefits, but only upon a planning "expert's" notion of how cities ought to be patterned. With zoning, we pay a high cost in efficiency to prevent an unknown but probably small number of nuisances. The planners cannot know how much land will be demanded for each possible use at the time they draw up the zoning map; too much may be allocated to light industry, or too little to multi-family dwellings. As a result, we have waste and inefficiency.[4]

"Exclusionary" Zoning

Now we meet the villain of the piece. After the courts gave the green light to zoning, people quickly realized what a powerful tool they had been given. All manner of restrictions might be put on the use of land which would guarantee that "undesirable types" would have to live somewhere else. Municipalities frequently enacted ordinances requiring a minimum lot size of an acre or more; often there was no provision for apartment houses and mobile homes, while in some cases they were even affirmatively excluded. Various rationales were advanced to justify these interferences with freedom, but none more than tenuously linked to any proper governmental function of protecting health or safety, or preventing nuisances. At the bottom was always the desire to exclude people of lesser income from the community.

It was in the mid-sixties that the people who are usually so fond of government planning and who enthusiastically support zoning as long as it is "only" commercial interests which are affected, realized that they had created a

[3]It is not clear that cities would look much different in the absence of zoning. Professor Siegan points out in his book *Land Use Without Zoning* that Houston has no zoning, yet the market has neatly segregated industrial and residential districts simply on the basis of the differing characteristics which attract each type of development.

[4]Zoning decisions, it must be said, are not unalterable. Zoning maps may be changed or variances granted. But it is never certain that zoning mistakes will be corrected through these mechanisms. Whether a zoning change is made or blocked usually does not depend upon abstract considerations of efficiency, but rather on the ability of interested parties to pressure the decision makers. Moreover, these escape hatches from zoning have frequently been used by unscrupulous persons to gain windfalls. See Ellickson, "Alternatives to Zoning", 40 U. of Chicago Law Rev. 681, 701-05.

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monster. The shoe was on the other foot now—one of their favored groups, the poor, was being victimized by zoning. The result was a large number of courtroom battles over the legality of what was called "exclusionary" zoning. (All zoning is exclusionary, but never mind.)

The Legal Outcome

In several cases, courts struck down large minimum lot size ordinances. Those who believe in freedom can applaud such decisions; if a group desires to insulate itself from the rest of society, it may do so by purchasing enough land to achieve that objective, but it is wrong to do so through the use of the coercive power of government. Unfortunately, not all courts and legislative bodies were content with a mere restoration of freedom. Instead, they sought to rectify the problems created by zoning by imposing even more zoning.

The leading case, *Southern Burlington County NAACP v. Township of Mt. Laurel,* comes to us from the Supreme Court of New Jersey.[5] In ringing language, the court invalidated the town's highly restrictive zoning scheme, and then intoned that every developing community has an obligation:

> Affirmatively to plan and provide, by its land use regulations, the reasonable opportunity for an appropriate variety and choice of housing, including, of course, low and moderate cost housing, to meet the needs, desires and resources of all categories of people who may desire to live within its boundaries.

The animating force behind the court's ruling was not a belief in liberty, but rather a simple-minded mathematical notion that each municipality should contain its "fair share" of low- and middle-income residents.

This idea that people should be distributed throughout society in accordance with precise ratios shows forth even more disturbingly in the so-called "inclusionary" zoning ordinance. The concept, which has found some support in academic journals[6], is to require a developer to include a specific percentage of units for low-income families if he is to be allowed to construct any multi-family project. Such an ordinance was enacted in Fairfax County, Virginia, but was held unconstitutional by the Supreme Court of Virginia.[7]

Making the Problem Worse

Both the *Mt. Laurel* "fair share" requirement and the "inclusionary" ordinance recognize that zoning has

[5] 336 A.2d 713.

[6] See Kleven, "Inclusionary Ordinances—Policy and Legal Issues in Requiring Developers to Build Low Cost Housing", 21 UCLA Law Rev. 1432.

[7] *Board of Supervisors v. DeGroff Enterprises,* 198 S.E. 2d 600.

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been used to limit the number of places where poor people might live, and seek to remedy the shortage of housing which has resulted. But at best they will be ineffective, and will probably succeed in making the problem worse.

New housing is seldom constructed expressly for the poor. (One exception, of course, is the federal government, but its efforts, such as the famed Pruitt-Igoe project, have been smashing failures.) Rather, the poor benefit from the filtering down of older housing left empty as wealthier individuals move into new or better homes. Careful empirical studies have demonstrated that this intuitively appealing proposition is true.[8] Therefore, to the extent that "inclusionary" ordinances or judicially mandated "fair share" plans operate to decrease the total amount of housing which is constructed, they will work against the poor by diminishing the filtering down of older housing.

There are a number of reasons to believe that these legal mandates will, in fact, lead to less housing construction. Consider first the likely eventuality that, under a "fair share" requirement, an incorrect amount of land would be zoned for low-cost housing—i.e., more or less than would be so used in an unhampered market. This must be considered likely because a developing community cannot know what sort of commerce will choose to locate in it, and hence the characteristics of the workforce which may desire to live there will also be unknown. Merely because there is a heavy-industry zone, for instance, there will be no reason to assume that some specific percentage of poor people will be employed. The skill and income level of the workforce will vary greatly depending on whether labor or capital intensive industries move in. Thus, the planner's guess will probably be wrong when he zones for housing. If too much land is allocated for one type of housing, too little must be for other types. Some land will be inefficiently used, total construction will be less than we would have had in the absence of zoning, and fewer old homes will become available to the poor.

Discouraging Developers

Secondly, we must consider the attitudes of the would-be developers ordered by an "inclusionary" ordinance to use a part of their property for the construction of low-cost housing. They may be reluctant to undertake the project thus presented for any of several reasons. With the mandatory low-income units, the overall rate of return may

[8]See Lansing, Clifton and Morgan, *New Homes and Poor People: A Study of Claims of Moves*, Survey Research Center, Institute of Social Research, Univ of Michigan (1969).

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not be sufficient to induce the builder to devote his resources to this development as opposed to one where he finds no government interference. Or, the developer may have doubts about the marketability of the non-low-income units if compelled to put them in close proximity to those built for the poor. A related concern might be the possibility of high maintenance costs for the low-income units. Reflection upon the way property frequently is treated in the inner city might well dissuade one from building with the poor in mind as tenants. Yet another obstacle might be the architectural difficulties of integrating the smaller low-income units in the same structure with larger apartments designed for the affluent.

Thirdly, many of the reasons which might make the developer hesitant would also be on the minds of prospective lenders. Even if the former were willing, the latter might not be. The result: housing construction foregone.

Two more arguments tell against these schemes to provide better housing for the poor. So far we have left out the intended beneficiaries of this new housing, the poor themselves. Are many of them likely to be interested? Professor Banfield has pointed out that the inner-city dweller is accustomed to the nature of life there, and probably would feel bored and uncomfortable if transported out to suburbia.[9] The spaciousness and solitude would be entirely alien, and the preferred entertainments and companionship would be far removed. In short, there is reason to doubt that there would be enough takers for this housing to fill the government's quotas, leading to further waste.

Lastly, it must be emphasized that low-income housing is quite infeasible without government subsidies. The *Mt. Laurel* court expressly noted this. Do we really want the availability of housing for the poor to depend upon the caprices of federal and state budgeting? The government is anything but a trustworthy provider. A change in administration or voter sentiment could halt building in progress and prevent new construction from being undertaken, again to the detriment of the poor. Uncertainty is one of the prices one pays for government dependence.

No doubt there are more arguments, and perhaps more persuasive ones which could be advanced against these plans. All I have attempted to accomplish in this brief space is to show that the government did not, and indeed cannot, take into consideration all of the reactions one might expect to its tampering with the housing market. Not enough housing for the poor?

[9]See *The Unheavenly City*, especially chapter 2.

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Why then just zone for more, or compel people to build more, says the government. This simple-minded solution pays no heed to secondary consequences, and forgets that people have minds and wills of their own. That is why it will fail.

Conclusion

The adoption of zoning as a means of preventing external costs was ill-considered in the first instance. It led to inefficient use of land and at the same time caused many individuals to suffer great unfairness. Once this authoritarian power to restrict the uses to which a property owner could devote his land was acknowledged as legitimate, it followed inexorably that it would be misused to protect well-placed interests and exclude poor people from developing communities. In attempting to solve this government-created problem in the housing market, courts and legislatures have resorted to more of the statist medicine of coercion. "Inclusionary" zoning and "fair share" plans will not make more housing available to the poor, and will probably have the opposite effect. Then, we may confidently predict, government will react with yet more counterproductive laws and directives.

The radical solution to the chaos zoning has brought to land markets is to eliminate it. To be sure, people then will erect some buildings and do other things with their property that others will not like. If those uses actually interfere with the enjoyment of property by others, those people affected should be encouraged to sue in nuisance to obtain compensation for the damage done. If the offending use does not amount to a true nuisance—an apartment with poor people as tenants, or a building painted an ugly color—that is something people who live in a free society will just have to tolerate as one of the annoyances of life. The alternative to a regime of freedom in land use is zoning with its ever-present potential for waste and inefficiency, inequity and manipulation. Let us choose freedom. ⊕

IDEAS ON LIBERTY

Building One's House

PROPERTY is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

ABRAHAM LINCOLN

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Edward C. Facey

REASONING IN ECONOMICS

ECONOMICS is a science of human action and moves, with nature, from cause to effect. It can do so because the nature of man is known—that he is a rational animal—and properties that flow from that nature are understood. One of these properties is the means-ends characteristic of man's actions. These acts are charged with man's conscious purpose, and economics studies some of the implications of this.

Acts of man give rise to production and prices. They cause the prices and production to be what they are. If prices change, individuals will respond and instigate changes in the production and sale of the goods involved. The extent of the change cannot be determined because the individuals' precise evaluations of the goods are not known.

Therefore it is not possible to draw up mathematical relationships between quantitative occurrences taking place in the market. No mathematical predictions can be made, since the extent of response by acting men to changes about to take place cannot be known.

What *is* known is that men will try to profit. This happens when a sought-for end is valued more than the means thought necessary to achieve it. For example, there will be more quantity demanded if the price of a good is lowered (as the cost to the consumers is lessened relative to their value of it). There will be more quantity supplied if the price of a good is raised (as the revenue

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from the sale of a unit has increased relative to the cost of producing it). In these cases, things, other than the price changes, remain the same.

The Use of Constructs

Economic theory operates within ideal situations, called *constructs,* in order to view certain causal tendencies undisturbed by many other concurrent causal factors. In theory one can view developments stemming from a given policy. Then, when those developments do in fact occur, one looks for the causes indicated by theory to see if they are operating.

For example, shortages may be seen following control policies. Suppose that there are presently continuous shortages in Ruritania and the Ruritanian government has a system of price control. Theory shows that price controls lead to shortages. If there is increasing demand for certain goods—buyers willing to offer more money for such goods—but if prices are not allowed to rise in consequence of this, there would then be no incentive for producers to increase the supply of these goods and, thus, shortages would occur. If no other dominating influences are at work, this is *why* there are shortages in Ruritania.

Constructs are not to be confused with models. Models are miniature representations of pieces of reality where the coexistence and relationships of the elements in reality are in the model, as in an architectural model. In a construct, the imaginary situation is one where the elements in it do not coexist in reality. It is not a "miniature" of society because, in society, persons' values, technology and the resources available, both human and natural, are continually changing. But in constructs unless specifically indicated, these things do not change.

The equilibrium construct, wherein people continue to do what they have been doing, is a construct of real importance. With adjustments, acting men are moving labor, land and capital to keep up with the profitable ventures and avoid the losing ventures. So there is an ever-present tendency to move resources to serve the most important ends of the consumers. A state of equilibrium—requiring no further adjustments—is never reached because, for one thing, men's chosen ends keep changing. So the flows of land, labor and capital constantly shift to keep up with those changes.

Isolating Causes and Explaining Effects

In reality, we find many things influencing the price of a good: changing evaluations of the item, the money supply, new labor laws, technological factors, so-called "hoarding" of money, weather conditions, epidemics, wars, and the like. The economist alludes to his

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equilibrium construct and then considers one or two of such changes taking place, and the effects that can flow from them while other things remain the same. He deduces various laws and theorems, depending upon what changes he considers, and thus develops the science of economics. When he comes to explain reality, he simply selects from his theorems the ones which are applicable to the situation under study. By giving appropriate weight to each theorem used, he will be able to show *why* the effects viewed in that situation have taken place.

For example, suppose there had been a rapid expansion of the money supply in Ruritania along with the imposition of price controls. The economist will want to relate the conclusions of his monetary theory (about the expansion of money) along with the conclusions of his price theory (about the imposition of controls) to the explanation of the historical results. In this case there are two major causes bearing on the observed outcome. If significant technological improvements have also taken place, then the economist may note them and call upon his productivity theory to further elucidate the Ruritarian developments.

It should be stressed that *from theory* the economist proceeds to the understanding of the historical/statistical facts about a society gleaned by observation. He does *not* get his *theory from the facts.* These facts result from *many* causes, and it is not possible to control and manipulate the facts, as in a laboratory, to take away or add causal factors so as to derive hypothetical theory that will explain the facts. Nor is it necessary to do so. For the economist already has *his deduced theories at hand,* ready to explain economic occurrences or events depending upon which types are to be explained. All he has to do is to select and combine from among these theories the ones which will best help him explain *causally,* and clearly, the particular economic events that have come to his attention. ⊕

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Builders of the American Dream

THE WORD "myth," as it has come to be understood in America, has a derogatory connotation. It means that someone has been spreading a fake story. But in Europe, as James K. Fitzpatrick points out in the introduction to his *Builders of the American Dream* (Arlington House, 165 Huguenot St., New Rochelle, N.Y. 10801, 374 pages, $9.95), a myth is a tale coming down from prehistoric times that, likely as not, had some original validity. There really were chivalric knights. If Prometheus never actually reached close enough to the sun to bring fire back to man, certainly some Promethean character was the first to make fire by rubbing sticks together or striking something hard with a flint. Myths were perpetuated around hearths and campfires before men had written alphabets. They were the best that ancient man could do to account for his origins.

In America we don't need myths. We have our history books. But, as Mr. Fitzpatrick says, presumably echoing Russell Kirk, we do need heroes who represent the high principles and moral convictions of a culture. We need the moral imagination. Luckily we can find it in certain larger-than-ordinary-life characters who have refused to settle for the mediocre, who have tried to exemplify admired characteristics at their best.

Mr. Fitzpatrick might have picked many people who have done much for America. But his test is not who should have become an American myth, but who actually did. George Washington Carver, the black scientist who developed so many scores of ways of making peanuts useful, may have done more for the country than Babe Ruth. But the Babe, with his mighty swing and Gargantuan appetite for hot dogs, captured the public imagination. He may not have been an exemplary man in his private life, but his worshipers took him as a combined Bacchus and

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Alger hero who could be forgiven much for his prowess on the diamond and his climb from an orphanage that might have left him an incorrigible delinquent but didn't.

The test which Mr. Fitzpatrick has applied to his thirteen chosen builders of the American dream is a double one. First, the virtue and the value must be there. But, second, there must have been something of a breakthrough nature that made their names part of what Mr. Fitzpatrick calls "the vocabulary of our people."

Daniel Boone

In establishing his double test Mr. Fitzpatrick is almost as interesting in talking about his rejects as he is in seeking the "why" for the popular acceptance of his thirteen builders. His chosen frontier hero is Daniel Boone. Boone was not the first to cross the Appalachians to the "dark and bloody ground" of Kentucky—a man named John Finley preceded him.

In opening up the land between the Ohio and the Mississippi George Rogers Clark did more than Boone for the white settlers who poured West after the Revolution. But it was Boone's flair, his ability to cajole hostile Indians, his reverence in the belief that God had ordained him to open the wilderness, that made him the people's legendary hero. His reputation was based on a sense of fairness and justice as much as on bravery. And he kept to his mission—his worshipers had to bring his body back from the Missouri territory to take him to a Kentucky graveyard in a hearse drawn by four white horses.

Naturally, George Washington engages Mr. Fitzpatrick's attention as the builder of the dream in our revolutionary epoch. Others solidified the dream—Hamilton, who wrote Washington's Farewell Address, Madison and Jefferson, who gave us our defining charters. But if it had not been for a Virginia planter who had the acumen to combine the strategy of Fabius, the Roman delayer, with guerrilla tactics learned from the American Indians, we would never have had the dream to make palpable. In assessing Washington at his true worth, Mr. Fitzpatrick vindicates Parson Weems' mythologizing biography—after all, Washington could have thrown a dollar across the Rappahannock, and if he did cut down a cherry tree he would not have lied about it.

In the Civil War period Fitzpatrick rejects Sherman and Grant as dream builders, though it is incontestable, as he indicates, that the slugging, victorious Northern generals pioneered the strategies of modern total war. Lee and Lincoln are picked over Sherman and Grant

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precisely because they fought as gentlemen. Oddly, they both believed that slavery was doomed and they both hoped that it could be abolished by voluntary action.

Why, in dramatization of the Progressive Era in U.S. politics, didn't Fitzpatrick make Theodore Roosevelt or Robert La Follette his chief protagonist? He chose William Jennings Bryan, who has gone into myth as a blabbermouth and ignoramus. Actually, as Fitzpatrick demonstrates, Bryan was a prairie G. K. Chesterton who had a well-reasoned Distributist ideal for his country. Bryan's essay, "Individualism Versus Socialism," might have been written by Chesterton or by Hilaire Belloc.

The doers rather than the intellectuals take over when Fitzpatrick gives us beautiful portraits of Thomas Edison, Walter Reed, Charles Lindbergh, Babe Ruth, and Eddie Rickenbacker. Will Rogers is something of a mixed bag, part cowboy comedian, part folk philosopher. Walt Disney is treated, interestingly, as a savior who enabled American parents to give their children a not negligible substitute for the myths that our schools fail to prescribe as part of their curriculum. True, it would be better if American children were to know C. S. Lewis, Tolkien and Hans Christian Andersen, or even A. A. Milne. But if we must substitute TV and the movies for the written word, it is good that we have such Disney feature-length films as "Snow White and the Seven Dwarfs," "Bambi," "Pinocchio" and "Alice in Wonderland."

Douglas MacArthur

Fitzpatrick's thirteenth "builder" is General Douglas MacArthur, who was both doer and intellectual. Why MacArthur rather than General George S. Patton if we must have a modern military hero? Because, as Fitzpatrick says, there is a noticeable reluctance in America to glory in war for its own sake. We prefer a Sir Galahad to a pagan warrior like Thor or Odin. MacArthur was just as good a fighting man as Patton, but he always held out for an economy of means in war. Head-on slugging was something for Neanderthals; MacArthur preferred the flank attack or the leapfrog surprise. He felt there was no substitute for victory, but his idea of victory was to bring habeas corpus to the Philippines (as his father did) or to Japan.

MacArthur was no imperialist. And what about "imperialism" as part of the American dream? We drove Spain out of Cuba, but Mr. Fitzpatrick sees it as more important that our Dr. Walter Reed drove yellow fever out of the whole Caribbean basin. This, it might be noted, includes Panama, which was a fever swamp before we cleaned it up.

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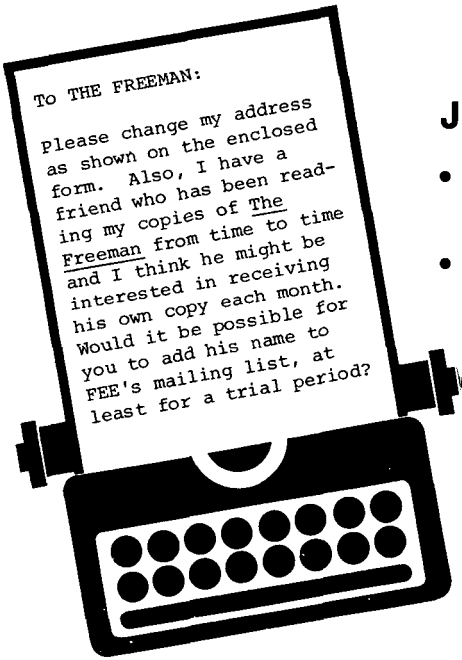
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